

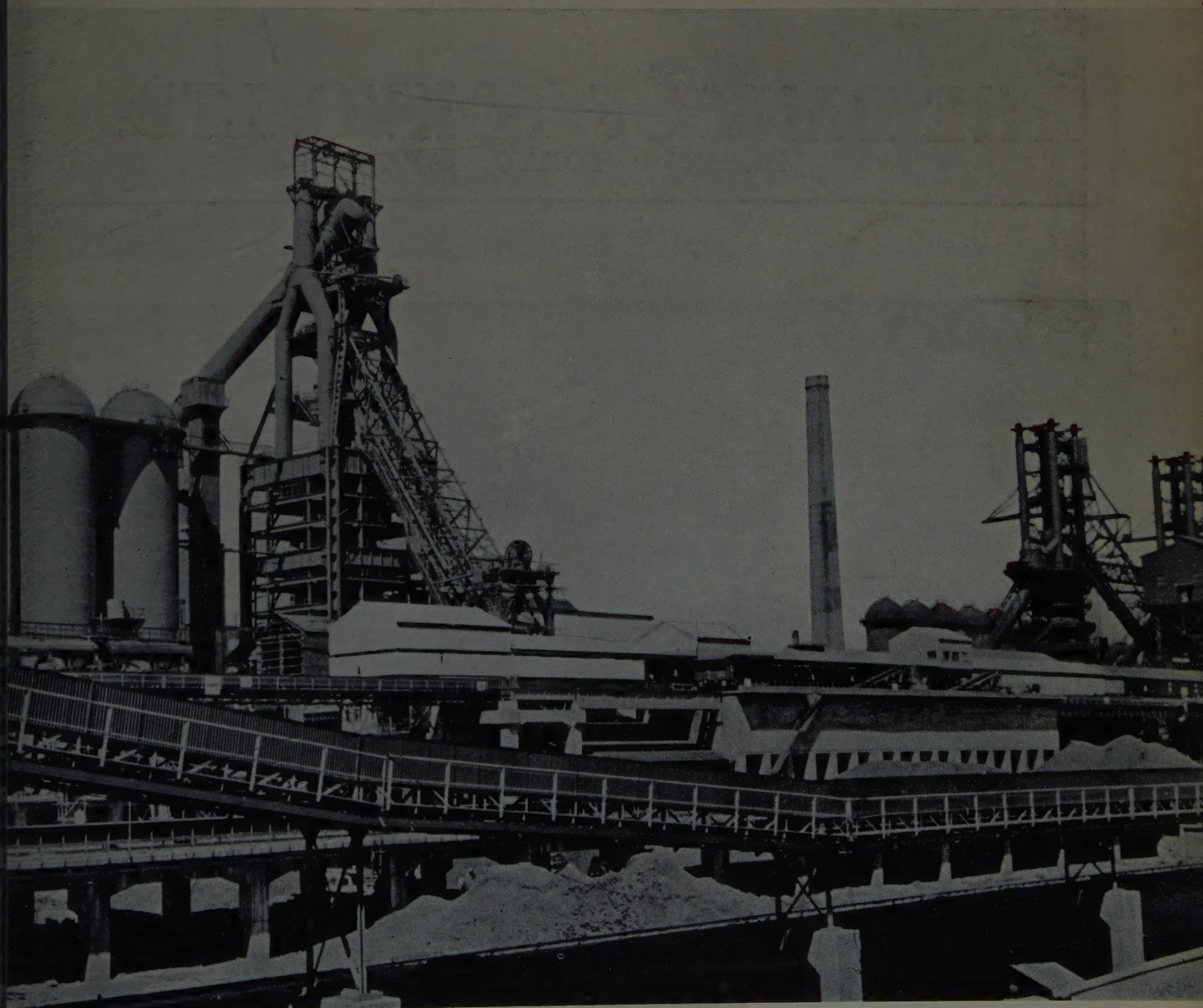
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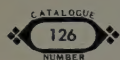
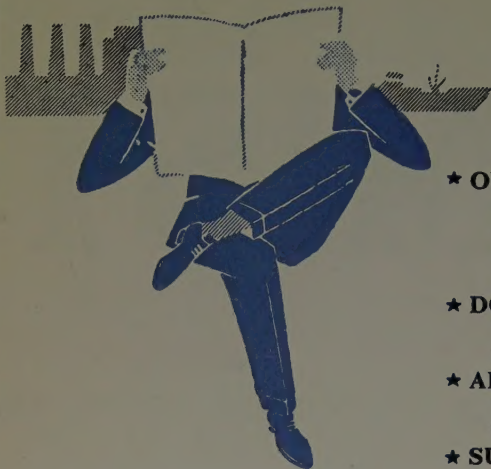
VOL. XXVIII

OCTOBER, 1960

No. 600



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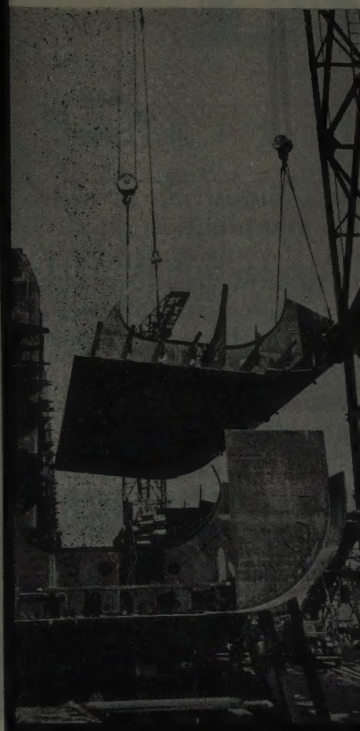
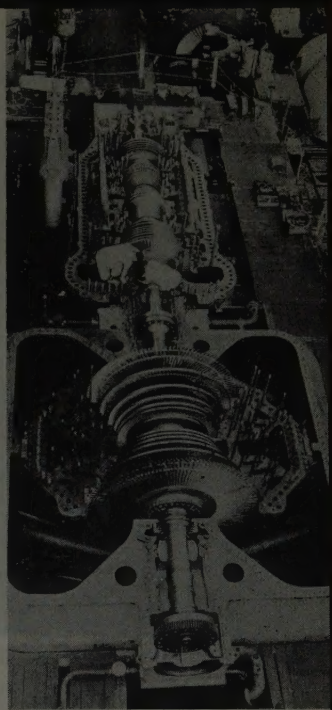
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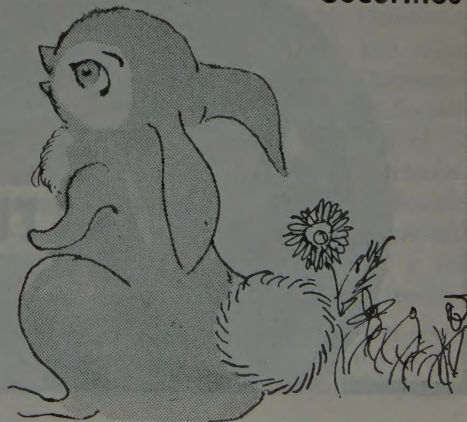
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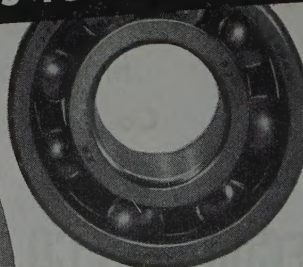
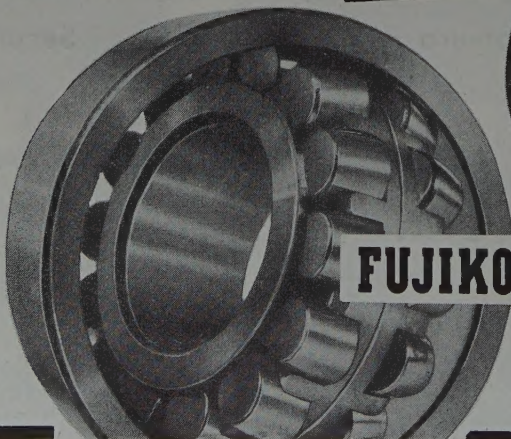
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Review of the Month

CAMPAIGNS for the forthcoming general election in November have got in swing with Prime Minister Hayato Ikeda, president of the ruling Liberal-Democratic Party, taking the initiative with a stump speech in Tokyo on September 8. Mr. Ikeda as well as Inejiro Asanuma, chairman of the Socialist Party, and

THREE PARTY HEADS TAKE THE STUMP

Suehiro Nishio, chairman of the Democratic-Socialist Party, are now on stump tours in various parts of the country. So far, Mr. Ikeda appears most popular, because 1) He is endeavoring to rectify the causes of public dissatisfaction which made the Kishi regime unpopular; 2) His platform is based on economic policies closely linked with the national living; and 3) The Ikeda Cabinet is believed certain to retain the reins of government after the general election, thus increasing the possibility of realization of his promises. In contrast, Mr. Asanuma lacks freshness as his speeches are devoted mostly to the "time-worn" security treaty problem or fault-finding with the ruling party. The anachronism which marks Mr. Asanuma's platform cannot attract the hearts of the masses who want new policies possible of realization. The Democratic-Socialist Party is gradually losing the popularity which it enjoyed at the time it was inaugurated in January, this year. For instance, the Democratic-Socialist Party was supported by 15 % of the entrants or by 8 % at worst in a series of public opinion censuses taken at the time of its birth, but the support ratio now has fallen to around 5 %. It appears that public opinion is not satisfied with the attitude of the Democratic-Socialist Party which always stands on the fence at the Diet. Democratic-Socialist slogans for the defense of parliamentarism and for the independence from the pressure of trade unions are warmly welcomed by the people, but the party's lukewarm neutralism fails to appeal to the masses.

An overwhelming victory for the Liberal-Democratic Party in the forthcoming general election appears almost certain. At the time when an extraordinary session of the National Diet came to a close in August, the 467 seats in the House of Representatives were distributed as follows: Liberal Democrats, 286; Socialists, 126; Democratic Socialists, 40; Independents, 3 (including one Communist); and vacancies, 15. In the coming general election, the Liberal Democratic Party appears capable of obtaining more than 300 seats. The Socialist Party will also increase its seats by four or five to the total of 127 or 128 while Democratic Socialists may lose several, or stay unchanged at best. Under the major electorate system, the Democratic-Socialist Party may expect more members to be returned, but it appears difficult for the party to obtain votes enough for the election of a new candidate in each of the constituencies under the existing medium electorate system. Hence, the Diet is almost closed to any new candidates running on the Democratic-Socialist ticket. This is the cardinal reason for the Party's inactivity. According to present indications, the

popularity of the Liberal-Democratic Party is decisive, but it is still problematic whether the Party may be able to obtain a comfortable surplus over the 300 mark, as the ruling party also has its own demerits. Voters listening to Mr. Ikeda's speeches are apparently led to feel like becoming richer instantly. What Prime Minister Ikeda preaches in his campaign speeches, however, is the future prospect, and not a get-rich-quick formula. The election may turn out just as the ruling party expects if the masses continue to retain a rosy picture drawn by Mr. Ikeda until November, but the chance is doubtful. The hike of prices of daily necessities, for instance, will be a deterrent to the ruling party.

PRIOR to the departure of Prime Minister Ikeda on a campaign tour, the Liberal-Democratic Party on September 5 made public its new platform. Salient points of the nine-point platform containing about 10,000 words are

NEW POLICY OF as follows: 1) The

LIBERAL-DEMOCRATIC PARTY management of parliamentary business through cooperative negotiations among political parties to the exclusion of violence and pressure in and out of the Diet. The enhancement of efficiency among public workers through the elevation of wages; 2) The diplomatic policy based on the United Nations. The promotion of amity and cooperation with free democracies with the United States at the helm to the exclusion of neutralism. The adoption of a policy for the promotion of economic and cultural exchanges in relation with the Soviet Union and Communist China based on the principles of non-interference with domestic affairs and the mutual respect of respective political and social systems; 3) In the economic phase, efforts will be made for the continuance of a high-rate economic growth without inflation and for more than doubling national gross product in the coming 10 years; 4) A tax cut by more than ¥100,000 million in fiscal 1961, national and local taxes inclusive; 5) Efforts will be made for annually replenishing social security measures on a planned basis for the elevation of the living standard for the poor. Completion of housing, water supply and sewerage systems, and medical facilities; 6) Modernization of agriculture, forestry and fisheries for higher productivity in order to equitably balance the incomes of workers in such sectors with those in other industries. To that end, the enactment of the Basic Agricultural Law to direct the future course of farmers; 7) The stabilization of the management of small businesses and industries through physical improvements to equitably balance the incomes of their workers with those of key industries. To that end, the extension of various assistances including the smoothing of loans and the lightening of tax burdens; 8) In the enducational phase, efforts for the equal opportunity for education and the phenomenal advancement of scientific technology; 9) In the adoption of measures for youths and women, efforts for giving hopes of the future advancement to youths and for the elevation of the position of women in society.

In the new platform, first stress is placed on the economic policy, well reflective of Prime Minister Ikeda's conception that both the stabilization of domestic politics and the restoration of international credit depend on the sound growth of the national economy. Mr. Ikeda is firmly confident of the growth strength of the Japanese economy. While the Economic Planning Agency estimates that the annual average economic growth rate of 7.2% is necessary for doubling national income in 10 years, the

Liberal-Democratic Party, in its new economic policy, places the prospective economic growth rate in the three years starting fiscal 1961 at 9% annually in order to enable the increase of national income by 26% in fiscal 1963 and to more than double national income 10 years later in 1970 (gross national production in fiscal 1960 is estimated approximately at ¥13,600,000 million and the national income per capita at about ¥120,000). The Liberal-Democratic Party places the annual economic growth rate at 9% on the strength of the past growth of national and economy the supply capacity of capital and labor. During the period from fiscal 1950 through 1958, the average annual economic growth rate stood at 8%. With the growth rate in fiscal 1959 at 17% taken into account, therefore, the average growth rate in 1950 through 1959 came to register about 9%. Party experts opine that the annual growth rate of 9% in the coming several years is not exaggerated in view of the fact that the growth rate in fiscal 1960 is also estimated high at around 13%. Regarding capital, they also opine that the ratio of capital accumulation in Japan is internationally high and the percentage of private equipment investments accounts for about 17% of gross national product. With respect to labor, the labor shortage in the industrial sector may be replenished with the supply from the farming community while the labor force in the agricultural community (at present estimated at 15,000,000) will dwindle by 60% due to the exodus to industrial plants within 10 years, but the resultant labor shortage may be adequately countered through mechanization and rationalization of farming households for higher productivity, according to a plan in the mind of Prime Minister Ikeda.

Some commentators, however, are critical of the new economic policy of the Liberal-Democratic Party. In the first place, they are suspicious of the motive which have driven Party experts to raise the annual economic growth rate to 9%. Economic experts, both governmental and private, having studied various developments of the national economy since October, 1959 at the National Economic Council, drafted an income doubling plan based on the average economic growth rate of 7.2%, and this growth rate was swiftly revised upward to 9% in the coming three years for more than doubling income in 10 years. It is suspected by commentators that the growth rate might have been purposely exaggerated in order to justify the drafting of the new economic policy. Second, some commentators opine that the Government may not particularly take a positive policy at the time when the national economy is on the smooth run, as at present. Industrial circles are apt to forge excessively ahead on the spur of a new government policy, and domestic consumption may be unnecessarily stimulated to invite the rise of inflation, they fear. In the third place, they refer to the problem of balanced growth of economy. The Japanese economy, which continued a high-pitched growth without a break in the past 10 odd years, embraces a series of inconsistencies and unbalances within in the form of the weakening of the economic basis, the aggravation of the physical composition of enterprises, the shortage of skilled workers, and the increasing wage differentials by region and industry. To propel economic expansion by removing these obstacles at the same time is likely to slacken the growth rate, they opine. In the fourth place, it is pointed out by some commentators that, although the Government holds that the annual growth rate of 9% may by successfully retained if the domestic demand continues brisk enough to offset the possible decline in exports due to a

world business setback, the growth rate will be compelled to decline when exports dwindle to a point unable to cover imports. They suspect whether the Government is convinced of the sufficient expansion of exports.

Although opinion is thus divided on the new economic policy, economic experts in general are accepting the 9% economic growth formula as adequate. Through the rationalization of economic operations, the export competitive strength will be bolstered, and the annual average export-increase of about 10% will be feasible in the absence of an international economic chaos. In that case, the annual growth of 10% in gross national product will not invite an abnormal excess of imports in view of the fact that Japan's dependence on imports in the past was restricted to 7-9% of national production. Economic leaders of the nation in the past were too prudent and conservative, and even the 9% growth rate may be too modest as Mr. Ikeda puts it.

THE Government has got busy for the compilation of the national budget for fiscal 1961 which will finance the new policies of the Liberal-Democratic Party. Well indicative of the positivity of the new policies, demands

FRAME FOR FISCAL 1961 BUDGET

for budgetary appropriations submitted by various ministries have reached a huge total of ¥2,300,000 million, but the Ministry of Finance is understood planning to restrict the total frame of the fiscal 1961 budget to the ¥1,800,000 million mark by adding the revenue from new sources to the fiscal 1960 original budget of ¥1,569,000 million. New financial resources for fiscal 1961 are estimated at about ¥350,000 million including tax and non-tax incomes and surplus reserves but the net income gain through such new sources will dwindle to around ¥250,000 million when the planned tax cut of about ¥100,000 million for fiscal 1961 is deducted. With the natural increase in the expenditure phase in fiscal 1961 estimated to exceed ¥150,000 million, the net amount of funds available for the new policy operations will be restricted to about ¥100,000 million, according to calculations by the Ministry of Finance. As the ruling party is not expected to be satisfied with such a tiny sum for financing new policy operations, however, the budgetary scale for fiscal 1961 is likely to eclipse the ¥1,800,000 million mark comfortably through the revision of the tax income estimate (upward by about ¥50,000 million) made possible by the elevation of the economic growth rate for fiscal 1961 from the ordinary-set 7.2% to 9.0%, or the transfer of the natural increase in fiscal 1960 at about ¥180,000 million to the following fiscal year. Prime Minister Ikeda bases the new policies of his party on the three cardinal programs, namely: tax cut, social security and public enterprises, but the budgetary appropriations to finance these three major programs have not as yet been clarified as they should be individually studied on the basis of available resources in the process of budgetary compilation. Regarding the tax curtailment, however, its outline has been clarified in a draft plan submitted to the Government by the Taxation System Research Council. The Ministry of Finance is expected to draft its own tax curtailment schedule on the basis of the Council's report by November. It is understood that the ministerial plan will place the tax curtailment for the initial year (fiscal 1961) at ¥100,000 million, inclusive of ¥60,000 million for the income tax and ¥40,000 for the corporate tax. The tax cut in the income tax phase will be made through the elevation of the exemption for dependents and the lowering of the tax

rates. The income tax on the standard wage-earner (with the annual income at ¥500,000 and having wife and three other dependents) will be halved (to ¥8,000), and the exemption point of income for the wage-earner with the standard number of family members will be elevated from the present ¥328,000 per annum to ¥400,000. Family workers in the households of farmers and merchants will also be entitled to exemptions from income tax (¥80,000 per person). Regarding the corporate tax, the tax curtailment will be made in the form of the 18% shortening of durable years of equipments, the lowering of the tax rate on reserve income of family partnerships and the rationalization of the taxation formula for the share dividends. On the other hand, special tax privileges will be abolished whichever unnecessary in order to increase the tax revenue.

With respect to public enterprises, the Government is expected to set aside a comparatively liberal sum for the projects considered conducive to the strengthening of the economic foundation. As regards social security measures, it appears to be the aim of Prime Minister Ikeda to give persons the chances to stand up alone by giving jobs to unemployed and medical care to the sick. Hence, social security aid to those not belonging to these two categories will be comparatively meagre.

TANRO (Japan Coal Miners Union) on September 6 decided to bring the Miike colliery dispute to an end on the basis of the conciliation plan drafted by the Central Labor Relations Commission. Thus, the Miike dispute, END OF MIIKE DISPUTE which started with a mass AND ITS AFTERMATH (1,200 workers) dismissal by the management's designation and was marked by a series of bloodsheds following a strike declared on January 25, was settled after 200 odd days. However, there are still many problems demanding solution before production is resumed at the colliery. Employment for dismissed is the first problem. Labor Minister Hirohide Ishida has promised jobs for all workers dismissed at the collieries, but whether his words can be kept to the satisfaction of Tanro remains to be seen. The second problem is the "production resumption" committee. Tanro is opposed to unreasonable transpositions and the management's plan to take union leaders to task. Particularly delicate is the problem of discrimination between the first union and the second union at the Miike colliery, and it also remains to be seen whether this problem is handled successfully. The future course of the trade union movement presents the third problem. Personnel adjustments were conducted in many other collieries almost parallel with the Miike colliery, and such dismissals at the former were carried out without much friction. Miike alone was subject to a bitter struggle solely because of its characteristic form of labor-capital relations. In a word, the Miike colliery was under the management of the trade union, away from the control by the company. As it was pointed out in the conciliation plan, the field struggle at Miike was completely outside the purview of the legitimate labor union movement. It is highly problematic whether a field struggle of the kind may be returned to normal shortly. The revolution in energy is an international trend and it is an undeniable fact that coal is a "sunset" industry bound to wane. The progress of energy revolution cannot be checked, and it is wise for unions to study the rational measures to cope properly with the changing tide. Labor-capital relations cannot be expected to be normalized unless the Miike trade union finds its way to change its mistaken attitude as manifested in its struggle slogan—"The company may go bankrupt, if the colliery will remain in existence."

Business Indicators

Production:—Industrial production (mining and manufacturing inclusive), which marked time in March and April, began to move upward again from May. With the index for May up 1.7% over April, June gained 2.7% and July also hiked 1.8%. The increase in the three months reached approximately 20.0% at the annual rate. The July index at 228.1 (1955=100: adjusted to seasonal variations) was 24.2% higher than a year ago to mark a new all-time high. The recent increase in production has been particularly notable in the manufacturing sector, while the mining sector has been at a standstill as coal miners strikes have been offering a deterrent. In the July production picture, capital goods such as machinery and steel especially forged ahead, and consumer goods also increased although at a slower tempo. In the consumer goods branch, non-durable items have been swelling while the increasing tempo of consumer durables like household electric appliance has slackened. With shipments by producers continuing to increase and inventories of finished goods remaining intact, production is bound to keep on expanding for some time to come.

1. Production Indices

(1955=100)

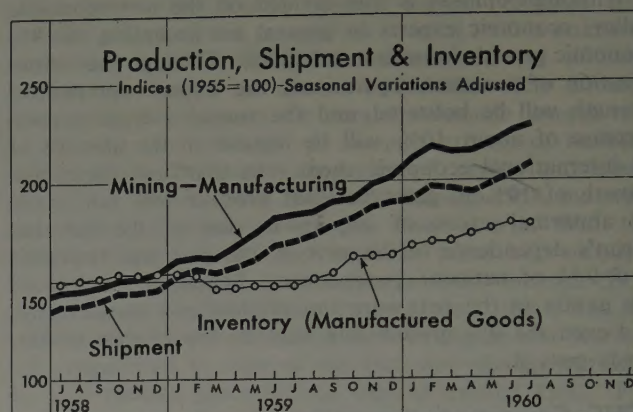
	June, 1960	July, 1960	Compared with June (%)	Compared with June, 1959 (%)
Mining & Manufacturing . . .	224.7	228.1	1.5	24.2
Ultimate Demand Goods . . .	240.9	246.9	2.5	26.6
Investment Goods	292.3	304.7	4.2	44.7
Capital Goods	373.3	395.1	5.8	56.6
Construction Goods	176.9	175.9	⇒ 0.6	15.9
Consumer Good	204.6	206.0	0.7	11.5
Consumer Durables	561.7	561.6	0.0	19.5
Consumer Non-durables	143.5	145.2	1.2	6.8
Producer Goods	205.2	205.1	0.0	20.5

Notes: Adjusted to seasonal variations: July figures preliminary;

⇒ decline; others increase.

Source: MITI.

Shipments & Inventories:—The shipment index for July (based on 1955: seasonal variations adjusted) stood at 208.8, up 2.6% over June and 23.0% higher than a year before. Shipments in the mining sector in July declined somewhat, but transactions were brisk. Coal shipments in July at 4,262,000 tons were 13.0% larger than a year ago. In the manufacturing sector, the increase of machinery shipments was outstanding with precision machines, heavy electric machinery and automobiles leading the July gains. Also comfortably up were radio and TV sets as well as synthetic resins, dyestuffs, inorganic chemicals and industrial explosives. Transactions were also brisk for rubber goods and leathers. On the other hand, paper, pulp and textiles were comparatively quiet, although demands for those items were fairly larger than a year ago. With shipments thus active, the inventory index of finished products in hands of producers remained almost unchanged, registering a fractional dive of 0.2% at the end of July from a month ago and stood at 178.0 (1955=100). In contrast, the inventory index of raw and processed materials as of the end of July rose 1.9% to 196.0 with the index of imported items up sharply by 4.3%. The similar trends marked the inventory rate indices, as shown in Table 3. The



inventory rate index for manufactured goods in July dipped comfortably to 85.2 while that for raw and processed materials rose to 99.7 with the imported raw materials reaching the year's high at 103.0, a phenomenon favorable to manufacturers.

2. Producers' Shipment Indices

(1955=100)

	June, 1960	July, 1960	Compared with June (%)	Compared with July, 1959 (%)
Mining & Manufacturing . . .	203.6	208.8	2.6	23.0
Mining	136.4	133.3	⇒ 2.3	10.9
Manufacturing	205.7	211.2	2.7	23.3
Iron & Steel	219.5	216.0	⇒ 1.6	21.2
Non-ferrous Metals	218.3	217.3	⇒ 0.5	27.4
Machinery	386.4	427.3	10.6	45.1
Ceramics	193.3	193.8	0.3	22.8
Chemicals	195.5	210.3	3.0	8.7
Petroleum Products	270.4	279.7	3.4	34.7
Coal products	175.0	186.2	6.4	21.7
Rubber	258.7	261.0	0.9	29.3
Hides, Leathers	142.8	145.2	1.7	11.4
Paper, Pulp	181.7	179.7	⇒ 1.1	13.9
Textiles	164.7	164.3	⇒ 0.2	16.1
Sawing	135.8	128.1	⇒ 5.7	4.3
Foodstuffs	129.4	129.4	—	12.0

Notes: Adjusted to seasonal variations: July figures preliminary.

⇒ declines; others increases.

Source: MITI.

3. Inventory Rate Indices* 1960

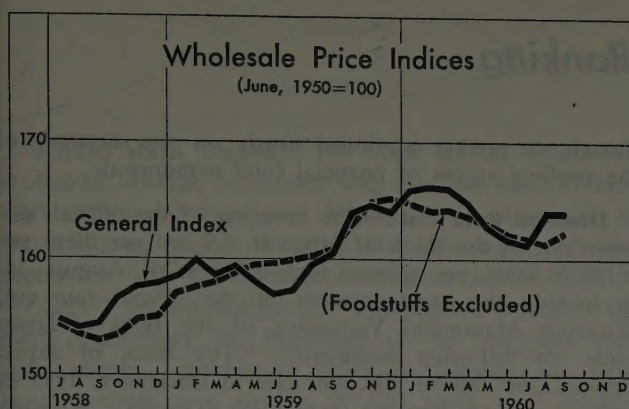
(1955=100)

	Manufactured Products	Raw & Processed Materials	Imported Raw Materials
January	87.1	101.4	98.6
February	85.4	101.4	98.1
March	86.1	103.4	102.4
April	89.0	101.7	101.5
May	89.0	101.4	99.1
June	87.8	98.5	92.8
July	85.2	99.7	103.0

Note: July figures preliminary: *Inventories in hands of producers.

Source: MITI.

Wholesale & Retail Prices:—The composite weekly wholesale price index (as surveyed by the Economic Planning Agency), which continued weak until the third week of July, began to rebound from late July through the end of August and slipped fractionally (by 0.1%) in the first week of September from the last week of August. The wholesale price gain in the summer season was solely attributable to the seasonal decline of deliveries of perishables, as the prices of other commodities remained practically stationary.



Meanwhile, the retail prices have been stiff. The Tokyo consumer price index (as surveyed by the Statistics Bureau of the Prime Minister's Office) in July was only 0.1% higher than a month ago, but stood 5.0% up over a year ago. Especially noteworthy were the overall hikes of foodstuffs (except for cereals), housing expenses and sundry charges. Responsible for the trend were the hike of the prices of perishables in the foodstuffs group, the advance of rent and repairing charges in the housing expenses group, and the elevation of school fees, newspaper subscription rates and public bath charges. Consumer prices as a whole are likely to continue stiff, although cereals may soften due to another bumper crop of rice and perishables may slip somewhat in the fall delivery season.

4. Tokyo Consumer Price Indices

(1955=100)

	June, 1960	July, 1960	Compared with June, 1960 (%)	Compared with July, 1959 (%)
Composite	110.5	110.6	0.1	5.0
Foodstuffs	108.9	108.9	0	6.0
Cereals	104.6	105.0	0.4	0.4
Others	111.0	110.7	-0.3	8.7
Housing	131.4	133.3	1.4	5.5
Light & Fuel	107.7	107.7	0	6.3
Clothing	99.6	98.6	-1.0	1.6
Sundry Expenses	113.5	114.1	0.5	4.5

Notes: (-) declines; others increases.

Source: Statistics Bureau, Prime Minister's Office.

Employment & Wages:—The number of gainfully employed in July totalled 45,980,000, declining by 10,000 from June, according to the Working Population Statistics of the Prime Minister's Office. The July decline, however, was totally in the agriculture-forestry branch, as the number of employed in the other branches increased by 850,000 to 30,170,000 over June (up 1,530,000 over a year ago). The number of completely jobless as of the end of July on the other hand dropped to about 400,000. A noteworthy improvement was also witnessed in the supply-demand balance on the labor market. The average wage per worker in the manufacturing sector was 10.7% higher than a year ago in May, and 11.7% higher in June. Although the consumer price index in the interim swelled by 4.8%, there is no doubt that the living standard of the working population has been liberally raised through the growth of purchasing power. The average consumer spending of the wage-earner's household in June, this year was also 10.0% larger than a year ago, according to the Prime Minister's Office.

Trade & Foreign Currency Holdings:—Exports (as clear-

ed by customs) in August totalled \$ 341 million, increasing 0.6% over July, and imports declined 2.8% to \$ 368 million. Compared with the corresponding month a year ago, however, exports were 13.4% larger and imports were 27.1% bulkier. In August exports, increases were particularly fair for steel ships, optical instruments, chemical fertilizers, steel products and textile goods. On the import list, gains were registered by raw materials like iron ores, steel scraps, potash fertilizers, hides, and soy beans as well as machinery. Japan's foreign exchange reserves in August totalled \$ 1,569 million, increasing by about \$ 64 million over July, according to Finance Ministry figures. Meanwhile, a Bank of Japan survey reports that free yen deposits by non-residents in August increased by \$ 61 million (¥22,000 million) to the month-end balance of about \$130 million (¥46,000 million), indicating that the improvement in the international payments balance in August was largely ascribable to the hike of free yen deposits by non-residents.

5. Foreign Trade and International Payments Balance 1960

(In million dollars)

	Customs Clearances		Foreign Exchange Balances	
	Imports	Exports	Trade Balance	Overall Balance
January	331	218	119	6
February	364	318	154	7
March	435	350	85	31
April	355	311	44	22
May	385	311	74	34
June	372	337	35	35
July	379	340	39	48
August	369	342	27	..

Source: Ministry of Finance.

Small Business:—Small business has been faring well, and the showings in some sectors are better than those of key industries. According to a recent survey by the Bank of Japan, (of 2,245 small enterprises with employees of 50 to 300), both the sales and the profits of small enterprises registered larger gains than major industries in time of depression (such as the one in 1957-58) although they earned less in the boom years (as in 1956 or 1959). Thus, it appears that a boom generally benefits key industries more while small business is more depression-proof. As a proof, the transitions of management indicators of key industries and their smaller counterparts in the course of business movements in 1959 on the 1955 bases, as compiled by the Bank of Japan, are as follows:

6. Transitions of Business Indicators

(Fiscal 1955 as 100)

	As of 1959		B A %
	Key Industries (A)	Small Enterprises (B)	
Net worth	196	197	101
Owned capital	166	202	122
Loans	246	211	86
Sales	161	153	95
Net profits	216	263	122
Equipments	230	194	85
Inventories	158	177	112
Added value	140	149	106
Labor productivity	127	115	91
Per-worker profit	130	112	86
Profit rate	92	99	108
Employment Index	110	114	104
Wage Scale	118	113	96

Note: Added value—fiscal 1950 as 100.

Source: Bank of Japan.

Money & Banking

Money in August:—The money market was comparatively calm in August. The withdrawal excess of financial funds in August reached ¥83,900 million or more than ¥20,000 million larger than a year ago, but well behind the originally-expected excess of ¥94,000 million. The reflux of bank notes was also normal and sound in August and Bank of Japan in consequence increased only ¥9,100 million ¥9,100 million, less than one-fourth of the estimated increase of ¥40,000 million. The Bank of Japan's open market operations directed toward the purchases of ¥50,000 million worth of short-term government bonds were also responsible for the quiet tone of the money market in August, which enabled the central bank to announce the reduction of the official discount rate (by 0.1 sen per ¥100 per diem) on August 24.

Sound Reflux:—Bank of Japan notes which had sharply increased in the latter part of July began to find their way soundly bank to the central bank after the turn of the month into August, although the balance in circulation tended to move upward the close of the month. The total reflux in August amounted to ¥18,400 million, for eclipsing the return in the corresponding month a year ago at ¥1,700 million. As a result, the increases of the month-end and monthly average issues were restricted to 17.2% (19.3% in July) and 16.0% (17.8%), respectively, in August.

With the inflow of tax incomes continuing active, the withdrawal excess of financial funds was bulky. On the other hand, the foreign exchange account registered a wide payment excess due to a sizable influx of short-term foreign funds, and the net excess of withdrawals over payment in the Treasury accounts in August was restricted to ¥83,900 million, well behind the originally-set mark of ¥94,000 million, although it was still a sharp increase over like excess ¥60,200 million in August, 1959. Meanwhile, the payment excess in the foreign exchange account in August amounted to ¥22,200 million, comfortably up over a year ago at ¥15,300 million, chiefly because of the energetic inflow of short-term foreign funds. On the list of short-term foreign funds flowing into Japan in August, the free yen account increased by ¥22,000 million to the month-end balance of ¥45,000 million, and Euro-dollars also registered a fair increment of \$ 55,000,000 to boost the August-end balance well above the \$ 200,000,000 mark.

Buying Operations:—The Bank of Japan in open market operations on August 12 purchased ¥50,000 million worth of short-term government bonds (incidentally, sales offers by city banks topped ¥90,000 million). Funds thus made available to city banks were spent for coping with the withdrawal excess of financial funds, although they were partly earmarked for repayments of loans to the central bank. In the meantime, the increase of Bank of Japan loans in August was restricted to ¥9,100 million, incomparably smaller than the gain of ¥62,100 million in the corresponding month a year ago. It is estimated that the increase of Bank of Japan loans would have reached ¥80,000 million in the absence of the purchasing operations by the BOJ and the active inflow of foreign funds. With the reflux of bank notes sound, the volume of funds available on the call market made a steady increase al-

though the market continued steady on the strength of the swelling excess of financial fund withdrawals.

Discount Rate Cut:—The lowering of the official discount rate by the Bank of Japan to 1.9 sen per diem per ¥100 (6.935% per annum) took effect as of August 24. In making the announcement of the official rate cut, Governor Masamichi Yamagiwa of the Bank of Japan made the following statement: "The Bank of Japan elevated the official discount rate in December, 1959 in order to prevent business from going to excess. With the national economy regaining stability later, however, the official rate has been returned to the level before the December hike for the more elastic employment of funds. It is hoped that monetary institutions in the future will continue to take prudent steps in the extension of loans." As the Governor stated, the new reduction of the official discount rate was enforced in view of the growing stability of the national economy and not as a spur to business, as production has continued moving upward at a steady tempo and the demand for funds has remained energetic.

Money in August
(In ¥100 million)

	August, 1960	August, 1959
Note in circulation	←184	←17
Financial funds	←839	←602
BOJ loans	91	621
Others BOJ accounts	564	←36
Note issue balance	9,130	7,794
BOJ loan balance	4,630	4,139

Note: denote decrease of withdrawal excess; others increase.

Source: Bank of Japan.

BOJ Reorganization Plan:—The Financial System Study Council on September 20 submitted to the Minister of Finance a draft plan for the reorganization of the Bank of Japan. The Council, after three years deliberations, reached agreement on the following points: 1) The Bank of Japan aims at adjusting the credit of currency based on the principle of stabilizing the currency value. The upward or downward revision of the official discount rate, operan market operations and the establishment and change of the ratio of deposit reserves are left to the charge of the Bank of Japan; 2) The Bank of Japan will be a special juridical person without capital; 3) The Bank of Japan Policy Board will be the organ for the decision upon and execution of the Bank's policies; and 4) No restrictions will be imposed on the amount of Bank of Japan note issues. On the controversial issue of relations between the Government and the Bank of Japan, however, opinion among council members was divided, as the first group recognizes the superiority of the Government to the Bank of Japan regarding the financial policy and demands the grant of the power of instructions by the Government to the Bank, while the second group asks for the strengthening of the authority of the Bank and claims the stabilization of the Bank's neutrality. Thus, the Council's plan to the Minister of Finance was a compromise proposal providing that 1) The Minister of Finance may give necessary instructions pertaining to the policies of the Bank; and 2) The Minister of Finance may demand the deferment of the decision on the policy by the Bank of Japan. With no definite conclusion thus reached by the Council, therefore, the Ministry of Finance has decided not to submit to the forthcoming ordinary Diet Session the revision bill of the Bank of Japan Law.

Stock Market

¥1,200 Mark Topped:—The stock market fared well in August through September with the Dow Jones average (old) climbing 7.0% from ¥1,097.29 on August 1 to ¥1,175.75 on August 31. The fair tone continued into September with the average soaring to a new high at ¥1,202.67 on September 16. The onward march of the share prices since the beginning of the year has been quite speedy. Starting at ¥800 in January, the Dow Jones average rose to the ¥1,000 mark in February, topped the ¥1,100 mark in May and eclipsed ¥1,200 in September. The latest animation of the stock market is attributable to a series of new stimulants including 1) The positivity of the new Ikeda Cabinet's economic policy, particularly the upward revision of the annual economic growth rate to 9.0% in the coming three years; 2) The increasing possibility that business in the second half of fiscal 1960 will continue to remain on a high plateau; 3) The prospective wide excess of financial fund payments over withdrawals in the third quarter (October through December); 4) The rosy outlook of the international payments balance with the September excess of exports over imports (on L/C basis) reaching \$80,000,000; and 5) The increasing certainty of ADA issues through the successive visits of American financiers and the consequent popularity of the "international" stocks on the market. With the stock prices thus moving soundly upward, however, no frantic buying operations have been witnessed in the market, unlike the past trends of sharply swelling transactions to support price hikes. For instance, the outstanding balance of loans extended by the Japan Securities Finance Co. has continued to mark time at around ¥27,000 million, indicating the prevalence of caution in the market to brake the bullish operations.

Low Yields & Soaring Transactions:—Until a few months ago, traders in the stock market frequently spoke of the "3.61% Wall", that was, the market would become bearish when the average yield of stocks listed with the Tokyo Securities Exchange hit that wall. According to The Oriental Economist's survey, the yield of all stocks (ex rights) listed with the Tokyo Securities Exchange stood at 6.0% at the time when the yield of the 225 pivots taken for the compilation of the Dow Jones average registered 3.61%. The 6.0% yield is equal to the interest rate for one-year time deposits at banks. Thus, stock circles are apparently considering that the "wall" is hit when the yield (ex rights) of stocks declines below the interest rate for time deposits. The "wall" has already been broken, however, as the yield has already slipped to 3.50% for the Dow Jones pivots when the yield of all stocks dived to 5.50% as of September 7, according to The Oriental Economist's survey. Despite the steady decline of yields, the daily volume of turnovers has been increasing at a swift tempo. The daily average of transactions at the Tokyo Securities Exchange during the first eight months of 1960 (January through August) exceeded

the 70,000,000 mark, and rose to the 100,000,000 mark in September with the record peak of 161,000,000 stocks changing hands on September 16.

ADR Stocks Up Again:—In the latter part of August through early September, leading stocks such as steels and shipbuildings were briskly transacted on the Tokyo Securities Exchange, marking the revival of traders' interest in the "ADR" issues. Major stimulants were the successive visits to Japan of leading financiers from the United States including Morgan Guarantee, Chemical Bank and Irving Trust. Meanwhile, Japanese banks have been staging fierce competitions for obtaining designations by American financial houses for taking charge of ADR issues, although it is generally opined that trust and banking corporations are more suitable than exchange banks for taking care of ADR issues. Side by side with the ADR problem, the opening of bulky totals of new shares to public subscriptions by Nissan Motor and Hitachi, Ltd. in the process of their capital expansions is attracting close attention in securities and financial circles.

Investment Trust Active:—Thriving investment trust business was largely responsible for the animation of the stock market in August through September. The "Big 4" securities merchants on August 2 established new closed-end type issues, and subscriptions on the same day alone totalled ¥16,300 million, well ahead of the July issues. inclusive of subscriptions received by smaller securities merchants, the total establishments in August reached ¥21,550 million, far surpassing the past monthly peak of

1. Employment of Investment Trust Assets

	(In million yen)			
	July, 1960		August, 1960	
	Value	Ratio(%)	Value	Ratio(%)
Cash in trust	680	0.2	1,286	0.3
Call loans	75,976	15.6	72,628	14.3
Stocks	378,649	77.8	399,339	78.5
Public & corporate bonds	28,401	5.8	30,154	5.9
Others	3,048	6.6	5,213	1.0
Total	486,754	100.0	508,620	100.0

Source: The Oriental Economist.

2. Investment Trust Establishments and Cancellations by Securities Merchants

(As of August, 1960: in million yen)

Closed-end type-				
	Established	Cancelled	Balance	Net Assets Total
Nomura	5,800	1,815	115,989	170,003
Nikko	4,000	1,000	63,200	87,264
Yamaichi	4,000	1,180	63,560	89,018
Daiwa	2,500	1,361	49,492	69,170
Total*	21,550	6,706	341,274	480,678

Open-end type-	Established	Balance	Net Assets Total
Nikko	1,362	31,033	33,081
Yamaichi	855	36,670	40,485
Daiwa	1,402	29,982	35,159
Yamazaki	0	5,303	5,945
Total*	3,620	103,086	114,670

* Including other securities merchants.

Source: The Oriental Economist.

3. Investment Trust Assets Invested in Stocks

Closed-end type-	Nomura	Nikko	Yamaichi	Daiwa
At end of (1960)				
April	85.6%	80.8%	85.8%	86.5%
May	83.6	79.1	84.2	85.1
June	85.1	80.8	86.4	86.7
July	86.0	83.7	85.3	87.8
August	87.5	84.5	84.5	88.0
Open-end type-				
April	74.5	73.9	76.8	
May	78.8	71.4	74.4	
June	76.2	73.3	73.6	
July	75.0	68.3	71.7	
August	81.2	72.5	74.8	

Source: The Oriental Economist.

¥17,000 million in June, this year. On the other hand, the increasing pace of open-end type issues began to slacken with the total establishments in August amounting to only ¥3,620 million, or about one-sixth of the June total. The combined total of closed-end type and type issues in August, however, increased by ¥18,465 million. In

the employment of investment trust funds, securities merchants have been positive in investments in stocks. As a result investments of investment trust funds in stocks as of August, this year totalled ¥399,339 million, or 78.5% of the total, as compared with ¥378,649 million or 77.8% a month ago, as shown in table 1.

4. Transitions of Week-End Stock Prices (Old Dow-Jones Average)

	July	August					September			
	30th	6th	13th	20th	27th	3rd	10th	17th	24th	
Average of 225 Pivotal	1,097.09	1,121.25	1,133.95	1,141.95	1,158.30	1,181.25	1,191.84	1,198.29	1,215.09	
Fisheries	193.86	203.26	209.24	220.32	230.59	246.81	245.10	267.29	270.72	
Mining	331.60	340.89	341.67	336.61	352.47	358.30	375.32	371.04	387.68	
Foodstuffs	2,478.45	2,532.57	2,557.49	2,565.99	2,619.06	2,692.43	2,775.52	2,745.48	2,819.45	
Textiles	597.56	620.51	614.78	609.37	609.37	639.16	640.59	654.08	657.35	
Paper, Pulp	692.13	722.47	727.35	734.72	742.97	809.36	812.67	818.38	842.18	
Chemicals	646.38	664.74	665.89	671.11	697.82	715.82	730.26	723.53	732.06	
Petroleum, Coal Products . . .	2,610.30	2,614.56	2,603.91	2,561.41	2,548.15	2,569.34	2,489.66	2,452.49	2,481.73	
Glass, Clay, Stone Products . .	2,410.69	2,425.43	2,469.76	2,498.41	2,502.55	2,510.72	2,499.24	2,477.10	2,491.89	
Primary Metals	333.52	342.78	344.27	347.56	357.26	373.83	378.47	382.20	386.23	
Machinery	1,762.71	1,220.03	1,308.76	1,300.29	1,325.29	1,359.76	1,327.80	1,330.30	1,320.88	
Electric Machines, Tools . . .	1,186.44	1,220.40	1,239.06	1,231.55	1,225.60	1,223.68	1,213.75	1,227.92	1,252.02	
Transportation Machinery . . .	719.79	744.60	751.31	774.08	779.04	779.61	789.24	792.46	799.74	
Precision Machines	920.79	946.51	942.63	956.78	968.35	1,000.49	981.23	1,045.81	1,013.37	
Other Manufactures	1,809.32	1,855.86	1,858.31	1,922.64	1,953.32	2,000.81	2,032.95	2,076.99	2,194.14	
Commerce	2,137.77	2,182.01	2,191.38	2,166.91	2,179.74	2,201.92	2,221.72	2,306.86	2,308.05	
Banking, Insurance	753.98	753.09	755.70	753.98	765.24	773.00	768.67	766.06	767.77	
Real Estate	3,269.67	3,288.59	3,282.35	3,383.94	3,368.04	3,390.28	3,428.38	3,431.54	3,396.62	
Land Transportation	627.91	629.90	629.24	632.56	635.22	634.78	635.87	637.88	647.18	
Ocean Shipping	162.93	167.00	164.18	164.99	178.40	183.81	194.22	198.83	215.10	
Warehousing	1,220.93	1,253.85	1,214.33	1,191.30	1,224.27	1,194.60	1,253.85	1,247.25	1,247.25	
Electricity, Gas	216.61	218.74	224.84	225.04	224.19	228.71	231.14	230.78	230.39	
Services	443.82	449.20	456.90	486.16	480.78	472.58	475.90	480.78	489.77	

Note: Stocks listed with the Tokyo Securities Exchange.

Source: Tokyo Securities Exchange

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Consumer Price Rise

WHILE Prime Minister Ikeda has been loudly and forcefully advocating the need for upping the rate of economic growth, criticism of his basic stand has appeared in unexpected quarters. Because the rise of consumer prices in recent months has been rather noticeable, there has been created the fear that Mr. Ikeda's positive approach may in some way have bearing upon an inflationary trend.

The doubling of income, proposed by the Ikeda Government, is undoubtedly welcome; but is it obvious that should the cost of living go up the rise of income will be merely nominal and utterly meaningless. In this sense, there is no question that the recent rise of consumer prices is a matter calling for immediate attention and remedial action by the Government.

Reasons for Price Rises

The recent rise of consumer prices cannot be attributed to any single cause. At least four factors must be considered. One of these is seasonal; a dry spell has caused a shortage of fresh vegetables, while the onslaught of many small typhoons has affected the fish supply. Secondly, in addition to short supply, the shift in the preferences of the general public has caused a price rise of certain foods. The soaring prices of meat, particularly pork, is a good example of change in buying habits causing a rise in price. Thirdly, there is a general tightening of the manpower supply. This has resulted in higher charges for the various services such as laundry, barber and hairdresser, and bakery establishments. Fourthly, there are the utility charges for electricity, gas, and transportation, which heretofore had not been revised upward in sufficient measure.

When the cause of the consumer price rise is analyzed in this way, it becomes obvious that some upward revision is unavoidable as in the cases cited under the third and fourth items above, and nature is responsible for the first category of instances which can be expected to disappear with the passing of time. Consequently, it would not be quite fair to blame the Government for the uptrend of prices. The recent outcry about high prices and fear of inflation are far from reasonable, and can be likened to the perennial warnings about inflationary trends that are sounded every time there is an upward movement of wholesale prices.

It must further be stated quite explicitly that the rise in price of certain consumer items does not in any way presage a rise of prices in general. The rise in the cost of living will undoubtedly make itself felt in demands for higher pay. Nevertheless, it cannot be argued that a rise in industrial wages will immediately cause a correspond-

ing jump in the wholesale price of industrial (mining and manufacturing) products. According to a survey by the Ministry of International Trade and Industry the plant facilities utilization rate for manufacturing in June last was on the decline; and it is probable that this downtrend will continue for some time. Again, although there is no indication that there will occur a sudden easing of demand, there is little likelihood of shortages appearing since the capacity of production facilities has been greatly boosted, and over-supply of goods is becoming more and more evident. Under the circumstances, business competition in selling will become so intensified as to virtually preclude the possibility of upward revision of prices by reason of rising labor costs. Even should retail prices go up somewhat, there will be no worry about an inflationary spiral provided wholesale prices do not become involved in an uptrend. Consequently, attention must continually be brought to bear upon the wholesale price situation. This is what the Prime Minister has been advocating, and he is altogether correct.

Government's Steps Needed

This is not to be taken to mean, however, that the rise of consumer prices can be ignored simply because there is no appreciable climb of wholesale prices. Higher cost of living means that bigger wage increases will have to be granted, and this will lead to higher cost of production. A certain amount of wage increase can be absorbed by improved productivity, lower money rates, and transfer of workforces to paying jobs. This is no major problem in the case of high-profit enterprises. But with business struggling to keep their heads above the water, high wages will immediately result in high production costs and financial trouble. In this sense, the Government must, before it becomes too late, step in with effective action to prevent any further rise of consumer prices.

We are of the opinion that the Government should be more positive in such cases as the price of meat, which by appropriate action could easily be prevented from getting out of hand. Pork, for instance, was already in short supply as long ago as September 1959. Yet nothing was done to encourage or promote importation. If the government agencies concerned had any proper grasp of the situation that meat consumption by the Japanese public is on a steady uptrend, the current trouble could readily have been avoided. Too much preoccupation with the economic growth rate leaves much to be desired in day-to-day action for a steady supply of necessities.

Soviet Trade Hopes and Fears

WHAT with the Japan Trade Fair opened recently in Moscow, and the mutual visits of economic experts and businessmen, interest in Soviet-Japan trade is on the rise, particularly in connection with the possibilities of the Soviet Union as a promising market for plant facilities. This article is a review of the possibilities and problem points.

Japan Trade Fair in Moscow Well Received

The Japan Industrial Sample Fair that has been open since August 16 at the Sokolniki Park in Moscow appears to be quite a success. The Japanese dignitaries attending the opening ceremony were: Minister M. Ishii for International Trade and Industry, President Kitamura of the Japan-Soviet and East Europe Trade Association, President Sugi of the Japan Export Trade Promotion Association (JETRO), and a number of others. The Soviet guests were President Nestorov of the Chamber of Commerce (president also of the Japan-U.S.S.R. Society), Ambassador Federenko, Vice Minister Polizov for Foreign Trade, Minister Ishkov for Fishery, and First Vice Premier Mikoyan. The presence of Mr. Mikoyan, one of the top Soviet leaders, can be taken as a sign of the importance attached by the Kremlin to the Japan Trade Fair.

This exhibition was first proposed to Mr. Mikoyan in 1958 in Moscow by Mr. Kitamura, and it was later decided that it should be held under the sponsorship of JETRO. The Japanese Government granted a subsidy of ¥300 million, while the exhibits, numbering some 10,000 items, cover an area of some 6,000 square meters. Consequently, this is the largest show of its kind held to date overseas by Japan.

Another feature of the current fair in Moscow is that machinery items comprise the bulk of the exhibits. This is a departure from past sample fairs which generally emphasized Japanese consumer goods such as textiles and sundry merchandise.

Direct exhibitors are the trading firms with interest in Soviet-Japan trade; but the major manufactures are represented by the products on show. Notable are such big names as the three Mitsubishi heavy industry companies, Mitsubishi Electric, Mitsubishi Rayon, Kobe Steel, Toyo Rayon, Mitsubishi Chemical Industries, Toyo Spinning, Dainippon Printing Ink, Toyo Kogyo, Sumitomo Metal Industry, Nippon Electric, Matsushita Electric, Furukawa Mining, Fuji Tsushinki, Tsugami Mfg., Komatsu Mfg., Toyoda Automatic Loom, Hitachi Ltd., Ajinomoto, Toshiba, Mitsui Chemical, Kanegafuchi Chemical, Ishikawajima Heavy Industries, and Toyo Can.

In the opinion of Co-sponsor Japan-Soviet and East Europe Trade Association, the Japan Trade Fair should be more popular with the Muskovites than the U.S. Fair of last year. One of the reasons, of course, is that there is a vast difference in attitude of the Russians toward Japan as compared with that entertained toward their top

rival, the U.S. Secondly, whereas the U.S. Fair was a grand demonstration of the U.S. way of life the Japan Fair is a businesslike exhibition of the equipment needed to produce various consumer goods. This approach appears to have won the approval, not only of officialdom but of the general public.

Japanese Invasion of Moscow

To say that Moscow streets are filled with Japanese would be gross exaggeration, but the Japan trade Fair has resulted in an unprecedented number of Japanese visitors. More than 200 Japanese are in Moscow to service the Fair, while some 300 visitors in groups organized by the various interested organizations such as the U.S.S.R.-Japan Society, the Japan International Trade Promotion Association, and Regional Federation of this Association are in Russia for the Fair and other business. In addition, a tourist group of 60 persons (organised by the Japan Travel Bureau and the Japan Trade Association), and a textile industry inspection team of 10 experts (organised by the Japan International Trade Promotion Association) have gone to the U.S.S.R. Another group, interested in machine tools, is scheduled to leave Japan shortly.

From the Soviet side the stream of visitors continues to flow steadily. In March there was concluded the third Soviet-Japan trade agreement, and since then the U.S.S.R. has sent to Japan President Vassiliev of the Appliances Import-Export Corporation (May), President Timoveef of the Machine Tool Import Corporation (May), President Kulentsov of the Technical Machinery Import Corporation (June), Vice Chairman Kostantov of the National Chemistry Commission (June), President Guvanov of the Industrial Technology Import Corporation (July), and President Miculin of the Ship Import Corporation (August). These people have come mainly to work out the details of the purchases outlined in the new trade agreement; and it appears that they are charged with procurement of chemical industry plant facilities, communication equipment and supplies, precision machinery, heavy industrial machinery, machine tools, ships, and farm equipment, as well as for investigating the situation regarding machinery sales in Japan.

Is the U.S.S.R. a Promising Market?

From a cynical viewpoint, the question that comes to mind is: Is Soviet trade really worthwhile in any notable way?

Reviewing the situation since the signing of the first trade agreement, the export volume since 1957 have been as follows: 1957, \$9.3 million; 1958, \$18 million; and 1959, \$23 million. With imports the figures for these years were respectively \$12.3 million, \$22.2 million, and \$39.5 million. A steady increase is discernible, but the amount is extremely small. This year, from January through June, the import-export volume was two or three

times that of the same period last year; but even then exports totalled only \$11.6 million and imports, \$24.9 million. This bears no comparison with the average monthly export volume of more than \$100 million to the United States.

One reason, however, for the keen interest in Soviet trade is due to the delicate international situation. No nation in the world dreams of developing trade with another country with which it might go to war. Consequently, the continuation of long-term trade agreements between the U.S.S.R. and Japan can be interpreted as a sign of peaceful co-existence. Secondly, the U.S.S.R., being a new and untried market, does offer a challenge; and the press is apt to make much fuss over the possibilities since the actual volume to date has been inconsequential. This holds true with any unknown or virgin territory.

Thirdly, one must take up the expectations or fears about the U.S.S.R. as a market for Japan's machinery industry.

There is no denying that the U.S.S.R. has risen to the level of an industrial power of immense capabilities comparable to those of the United States. But by free enterprise standards the Soviet economy is far from being a sound well-balanced one. For example, there remains too great a gap between the production of industrial goods and the making of consumer items, between metallurgical production and petrochemicals, and between rocketry and the production of processed foods and clothing. This imbalance is recognized by the Kremlin, while the Soviet people are apparently sick and tired of austerity. Therefore, where normally the U.S.S.R. would turn to the United States for technology, the Soviet leaders are, because of the cold war, turning to Japan and to Europe for the same thing second hand. This appears to be one of the key points of the Soviet trade policy.

Another point is the Soviet plan for development of Siberia. It is reported 40 per cent of the funds allocated to the current seven-year plan is earmarked for investment in the Eastern Territory. Procurement of materials and supplies would, naturally be effected where geographical location gave a price advantage. In this respect, Japan would in many cases be favored.

Japan, it goes without saying, is hungering after markets for sale of plant facilities. It is all very well for deskbound bureaucrats to write up plans for "sophistication of the export pattern," or "promotion of export of highly developed plant facilities." The machinery industry itself does not entertain great hopes in regard to existing markets. Consequently, their sudden interest in the untapped Soviet market is understandable.

The third Soviet-Japan Trade Agreement clearly indicates a desire on the Soviet side to purchase plant equipment. About 60 per cent of the items listed in the Agreement comprises machinery and plant equipment. The various Soviet missions that have visited Japan also are primarily interested in such things as papermills, cold storage and freezing facilities, and chemical textile plants, which are related to consumer goods production.

The fourth reason for interest in Japan-Soviet trade, which currently does not amount to much, lies in the field

of import possibilities. To date, supplies from the U.S.S.R. consist of logwood, coal, petroleum, potassium, and various mineral products. However, it can be expected that the volume of iron ore and petroleum imports will increase considerably. When the planned pipeline between Irkutsk and Nahodtka is completed, the U.S.S.R. will doubtless try to sell oil to Japan in large quantities. It will be advantageous for Japan to be buying cheap oil from Russia, but this would be considered a definite threat by Japan's petroleum interests which are closely tied to U.S. and British oil companies. These parties, doubtless, are watching developments from the view-point of opposition.

Soviet Demand for Top Performance

It goes without saying that there will be many impediments, both real and imagined. Some people claim that because the other side is entirely nationalized, business tends to become trammelled by red tape; it is also said that while the Soviets price their commodities high, they drive hard bargains when buying from Japan. These views are neither right nor wrong.

About the bureaucratic approach. It is true that when they say: "We are willing to sell you wheat, what about iron ore?" their offers often go no further than words. Unlike Japanese salesmen, who would under similar circumstances send samples and invite inspection of the production facilities, the Soviet representatives make no positive effort to sell their goods. When buying from Japan, action again is slow. However, once a contract is concluded, there is little risk of cancellation due to changes in the market situation.

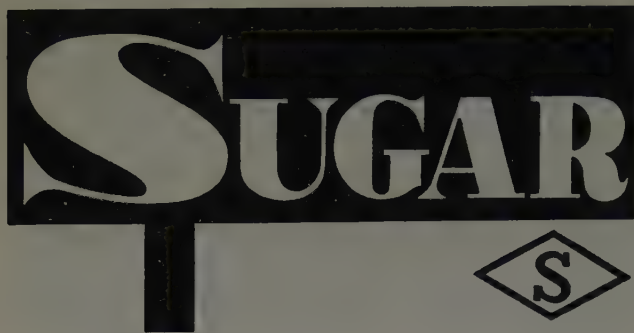
As for pricing, it can be said that apart from one or two items such as tin there has been no case of exorbitant prices for goods offered to Japan. But it is certainly true that when buying from Japan, there is a great deal of haggling for lower prices. One reason, of course, of the high price of Japanese machinery is the attitude of the Japanese manufacturers who are mindful of the risks they must take. Consequently, it has become habitual for the Soviet buyers to bargain for better prices.

Ultra-Modern Equipment Wanted

The problems that are expected to arise in connection with the Soviet search for plant facilities can be foreseen to some extent.

Firstly, difficulties will be encountered in regard to pricing and the terms and conditions of payment. The easiest payment terms are sought by the Soviet side. But because Japan is financed in many ways by the United States it is extremely difficult to grant easier terms than those granted other free nations of the world.

It is reported that an understanding was reached with Mr. Kulentsov in regard to deferred payment terms that in principle the basically acceptable formula would be 20 percent down payment, deferred payments over not more than five years, with interest payable at not less than 4 percent. The problem, however, is how to deal with each separate case. The limitations imposed by the funds available to the Export-Import Bank naturally constitute a problem.



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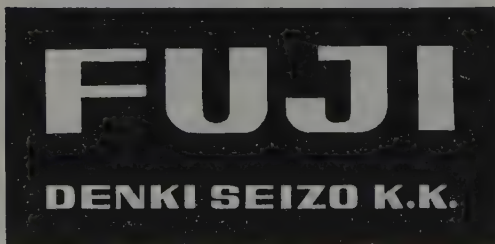
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Secondly, there can be expected technological difficulties. The Soviets wish to buy the most up-to-date, best-in-the-world plant facilities be they for papermaking or for processed foods. It is understandable, in view of the manpower shortage in the U.S.S.R., that fully automated facilities should be desirable. However, more often as not, such facilities have but recently been completed in the United States, and to expect the same of Japanese manufacturers, who are straining to achieve the high standards set, would perhaps be asking for too much. Moreover, the capacities sought by the Soviet side for such facilities as iron ore mining equipment, pulp-papermaking facilities, and slaughterhouse equipment are enormous by Japanese standards.

A certain Japanese maker of machine tools sent fifteen lathes as samples to the U.S.S.R. Back came an enquiry for 200 to 300 similar units. This maker's capacity is for only 30 units a month, so considering the risks involved in expanding production capacity, he was forced to turn down the Soviet order.

Thirdly, there are the restrictions imposed by technological assistance contracts and the COCOM limitations. When facilities developed on the strength of U.S. and other technology are involved, permission to export to the U.S.S.R. must first be obtained, and it often happens that nothing can be done. An example is the furnishing of a thermal generating plant to Saghalien. Export of microwave equipment, badly wanted by the Soviets, is blocked by both licensing arrangements and COCOM regulations. Silicone and radar are both considered military goods, and therefore are not on exhibit at the Moscow fair.

In so far as the Soviet Union is not party to the International Patents Treaty, there is no assurance that industrial properties will be given due protection. While this matter will sooner or later have to be settled by agreement between the Soviet Union and Japan, the only way out at present is by contract in each individual case.

Fourthly, there is the problem of performance guarantees for exported plants, not in terms of each individual item of equipment, but as an indivisible whole. Japan still lacks experience in this area, and this weakness applies not only to export of plant facilities to the Soviet Union but to all sales of this type.

Plant Facilities and Steel in Demand

The export of plant facilities from Japan to the Soviet Union is believed to have progressed substantially as a result of the signing, at the time of President Kulentsov's visit, of a master contract for the purchase of technical equipment. In this contract were included such items as papermill equipment, synthetic fibers facilities, and cold storage and freezing equipment. Negotiations are also in progress in connection with carbon black manufacturing facilities (Tokai Denkyoku K.K.) and methanol facilities (Nippon Gas Chemicals). Teikoku Sharyo has a contract for the furnishing of 24 diesel coaches.

In the case of plant facilities export, the biggest impediment is the deferred payment arrangement. Whereas the Soviet representatives ask for 20-percent down pay-

ment, with the balance payable in five years, the Japanese Government insists upon at least 30 percent down, while it would like to make 40 percent down the general rule.

With such an obstacle encountered, the future is far from rosy. Let us, however, look into such typical cases as those of the Kanekalon plant and technology, machine tools, and large diameter steel pipe.

Kanekalon Negotiations in Finishing Stretch

Soviet request for Kanekalon technology came in autumn last year, and this deal was included as a major item in the Soviet-Japan Trade Agreement of March 2, last. A formal contract for the purchase of plant and technology was signed in July at the time of the visit of the president of the Soviet Machinery Import Corporation. The arrangements are as follows:

- 1) Capacity of the plant—30 tons of Kanekalon daily; 15 tons of acrylo nitrile daily (largest Japanese plant capacity is 20 tons)
- 2) Technology and plant facilities for Kanekalon to be furnished by Kanegafuchi Chemical, knowhow and equipment for acrylo nitrile to be furnished by Toyo Koatsu.
- 3) Price for plant equipment, patent rights and engineering to be \$30 million; $\frac{3}{4}$ for Kanekalon, and $\frac{1}{4}$ for acrylo nitrile.
- 4) Machinery for the plant is to be bought as follows: Filament spinning equipment from Kawasaki Aircraft Instrumentation equipment from Yokogawa Electric, Electric motors from Tachikawa or Toshiba.

Kanekalon is a domestically developed synthetic fiber based on acryl and blended with some 60 percent of polyvinyl acetate to effect considerable reduction of cost as compared with other synthetics. This appears to have attracted the Soviet managers.

For about a month and a half from the end of March Kanegafuchi Chemical sent to the U.S.S.R. Director Watanabe and four others to undertake technical discussions. Currently, details are being worked out; but the biggest obstacle appears to be the terms and conditions of payment. However, Kanegafuchi is reported as indicating that the negotiations are rapidly drawing to a close, and finalization may be sooner than anticipated since the Soviet side is becoming impatient. It appears probable that settlement will be reached with the terms of payment set at 20 percent down and the balance in five years.

Recently, Asahi Chemical received an enquiry from the U.S.S.R. for a similar plant for Cashmilon, also an acryl fiber; but this is viewed as a typical Soviet countermove, and the odds-on favorite appears to be Kanekalon.

Probably stimulated by Soviet interest in Kanekalon, the Government of Czechoslovakia has approached Kanegafuchi Chemical for a plant and technology for production daily of 20 tons of Kanekalon. This deal, too, appears to be in the making.

Machine Tools Procurement Still in the Try-Out Stage

With President Timoveef of the Machine Tool Import Corporation personally visiting Japan, it was but natural

that expectations mounted. Two or three firm orders have reportedly been received by the Hiroshima Works of Mitsubishi Shipbuilding and Engineering for 15 lathes of the HL-300 type, and by Shimamoto Tekko for 20 lathes of the HL-40A type. It appears from these circumstances that the Soviets will, in view of the world-wide shortage of machine tools, give in somewhat on terms and conditions of export so long as delivery is prompt.

According to those in the know, the role of the Machine Tool Import Corporation is to purchase only when actual requirements are on hand. Consequently, the recent buying can be considered emergency procurement; while, considering the huge collection of catalogs and other information made by the Soviet mission, the impression is strong that a survey is being made of Japan's capabilities in this field.

It will be interesting to see the outcome of such preliminary investigation, and the reaction of the Japanese machine tool industry in the event of orders, since it is already hard pressed to keep up with existing demands.

Large Diameter Steel Pipe Deal Stalemated

Earlier this year, Nippon Kokan received overtures from the Soviets for supply of large diameter steel pipes. Nothing has materialized although six months have gone by. The idea, on the Soviet side, it seems was to buy steel pipe in Japan for the oil pipeline planned to link the Second Baku oil field in Irkutsk with Nahodtka, there being a decided advantage in transportation costs.

The quantity requested was a total of 250,000 tons, spread over three years beginning 1961. The total cost was estimated at some ¥2,200 million.

The sizes of pipe required were 20-inch and 28-inch, and there is currently no manufacturer in Japan capable of making such pipe. However, the plant now being built by Nippon Kokan at Tsurumi is designed for 7,000 tons of such pipe per month, and the facilities are scheduled to go into operation from October 1960. Consequently, should the Soviet order be issued, Nippon Kokan would be able to work at full capacity for at least three years.

This being the case, Nippon Kokan made positive endeavors to obtain the order, and was negotiating on the basis of deferred payment, 20 percent down and the balance over five years. However, no reply has been received, and the matter is at a standstill.

Soviet buying of stainless steel tube has been started with Sumitomo Metal Industry, Kobe Steel, and Nippon Tokushuko as the suppliers. This procurement is expected to continue in the future.

Will Soviet Buying Bring Relief to Ships?

With the shipbuilding depression showing no signs of ending, orders on hand have declined steadily since 1956 when peak level was achieved. In 1958, orders dwindled to 1,240,000 gross tons, while in 1959 only 950,000 gross tons were firm. There was some pick up in 1960, but only 360,000 tons were contracted in the quarter ended with June, with the backlog of orders standing at 2.2 million gross tons at March 31, 1960, the

end of fiscal 1959-60, the level was at only half of the 4.24 millions tons at the end of December 1956.

The outlook continues dark since domestic requirements keep going down, while export orders are marking time. Consequently all shipyards are deeply worried about how to operate after 1961. The Ministry of Transportation recommends that: 1) now is the time for undertaking construction of low-cost bottoms; 2) easier terms of payment should be offered for export bottoms; 3) the price of steel should be reduced; 4) technology should be further developed; 5) quality should be maintained; 6) standardization should be effected of ship fittings and accessories; 7) non-marine departments of the shipbuilding companies should be strengthened; 8) better intercompany coordination should be worked out, while internal streamlining of operations should be undertaken.

Soviet Enquiries Cause Excitement

With stagnation now setting in, it is no small wonder that the Soviet interest in Japanese ships resulted in great excitement. The long-term trade agreement signed on February 2, 1960, contained provisions for fairly large purchases of cargo ships, tankers, floating cranes, and dredges. In response to this, the Japanese shipbuilders commenced active solicitation of orders from the Soviet authorities, sending sales engineers to the U.S.S.R. as well as technical information, and approaching the Soviet Trade Mission in Tokyo. The trading firms, on the other hand, eager to expand their operations, have sought tie-ups with the

various shipyards, and are actively seeking orders. This has resulted in quite a scramble, which has been heightened by the visit to Japanese yards of President Miculin of the Ship Import Corporation.

Schedule of Ship Procurement Under the Long-Term Soviet-Japan Trade Agreement

Cargo Vessels	10,000 to 12,000 tons deadweight	3 units
Tankers	18,000 to 20,000 tons deadweight	5 units
Floating Cranes	5 ton capacity	15 units
Dredges	200 cubic meters per hour capacity	10 units

Hitachi Shipbuilding, Mitsubishi Nippon, then Ishikawajima?

What are the possibilities? The difficulties must be considered. First, the Soviet requirements are high, not only in performance, but for accommodations and furniture. Engine and speed specifications appear too inordinately high.

Second, although there are many shipyards in Japan, those capable of meeting the Soviet requirements are not numerous. For one thing the speed required of both freighters and tankers is 18 knots, and the use of B & W diesel engines of Denish design is specified, the power rating of these engines to be 12,000 HP.

Now it happens that only Mitsui Shipbuilding and Hitachi Shipbuilding are licensed to manufacture B & W engines in Japan. Since Mitsui Shipbuilding appears unwilling to build these ships, Hitachi Shipbuilding becomes the logical favorite.

Other shipbuilders could, of course, buy the main engine from Hitachi, Mitsui, or direct from B & W; and Mitsubishi Nippon Heavy Industries (Yokohama Shipyard) and Ishikawajima Heavy Industries (using Harima's Aioi facilities) appear to be interested.

The Soviets doubtless are fully informed on how hard up the shipyards of Japan now are, and they will probably make use of the competition to get the very lowest prices.

Japan's shipbuilders now possess capabilities equal to or better than their counterparts in Britain and in Germany. Consequently, it would be a pity to let domestic competition be the cause of excessive cuts in price. The only practical preventive would be to ease deferred payment terms to at least the degree accepted by European yards.

Soviet Price Offensive in Petroleum

Japan's importation of crude oil is mounting annually at a rapid pace, while the source of supply is mainly the Mideast. Of the 24,790,000 kiloliters imported in fiscal 1959-60 the Mideast furnished 20,480,000 kiloliters, or 82.6 percent of the total crude oil supply. Indonesian oil stood at 15.8 percent of the total, while U.S.S.R. furnished only 180,000 kiloliters, an insignificant amount. Nevertheless, this is far greater than the trial importation of only 13,000 kiloliters in 1958-59; and full scale importation is expected to begin this year.

According to the third Trade Agreement the supply is to be 110,000 tons in fiscal 1960-61, 140,000 tons in 1961-62, and 170,000 tons in 1962-63. Idemitsu Kosan, New Asia Petroleum and Taiyo Petroleum have already signed 6-year contracts with the Soviet Petroleum Cor-

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poration for crude procurement, and their quantities are: Idemitsu, 6 to 8 million tons; Taiyo, 6 million tons; New Asia, 1.5 million tons. This year, these importers will receive 800,000 tons, 100,000 tons, and 170,000 tons respectively, making 1.07 million tons in all. The crude will be mainly from the Second Baku in the Urals, while Saghalien and Baku oil will also be supplied. In any event, the quality is better than Mideast crude because of low sulphur content and high volatility.

The main reason behind the inroads of Soviet oil is, it goes without saying, price. Also, there is the added attraction to purely Japanese refiners that procurement can be done without having to consider foreign partners. For instance, it is said that Idemitsu is getting its Soviet crude at f.o.b. \$6.10 per kiloliter or at c.i.f. \$12.70. These prices are considerably lower than the f.o.b. \$10.40 or c.i.f. \$14 to \$15 now paid by competitors, cheaper by 40 percent in case of f.o.b. and about \$2 cheaper on c.i.f. basis. Moreover, the foreign exchange budget for the first half of fiscal 1960-61 is compiled on the basis of \$10.40 f.o.b. per kiloliter. Consequently, Idemitsu, with the same foreign exchange allocation could obtain 70 percent more oil than its competitors. So long as the exchange control system continues to be based on the actual quantity imported, Idemitsu and other importers of cheap Soviet crude will constitute a real threat to competitors partly owned by foreign interests.

Clash with U.S. and U.K. Interests

It may not be irrelevant to explain briefly the petroleum war being waged by the U.S.S.R. against the American and British oil interests. Currently, the U.S.S.R. ranks third in world production of crude; but with the output rapidly growing, particularly at the Second Baku, it is expected that Venezuela will soon be overtaken, if not this year. Soviet crude production jumped from the 98 million tons of 1957 to 129 million tons in 1959; and

predictions are that the 144 million-ton level will be achieved this year. Of this amount, the Second Baku is expected to supply 115 million tons.

Soviet exports of crude and petroleum products have been increasing steadily. To the non-communist area, the sale of petroleum and derivatives which in 1957 stood at only 7,270,000 tons jumped to 16,840,000 tons in 1959. The principal buyers of Soviet oil were, in 1959: Italy (3.1 million tons), United Arab Republic (2.54 million ton), West Germany (1.9 million tons), and Finland (1.8 million tons). In the free world petroleum market, Soviet sales account for only some 4 percent; but with low price as a weapon, Soviet "oil diplomacy" is causing considerable embarrassment. Cuba and India are two recent examples.

It is said that Soviet pricing for export is based on world market price (f.o.b.) less 10 percent plus spot rate for transportation. This being a more flexible formula than that adopted by the international cartel, a considerable threat is posed. To counter this, price of Mideast crude was lowered in August by the international consortium of Standard Oil, Shell and British Petroleum (maximum \$.14 per barrel).

In the case of Japan, the influx of Soviet oil is meeting with stiff opposition on the part of the companies affiliated with foreign interests. For one thing it is contended that the allocation of foreign exchange on the basis of f.o.b. price is unfair, and that from the second half of the current fiscal year the c.i.f. factor as well as the differences in source of supply should be included for determining the quota.

All in all, the battle lines are drawn between the importers of Soviet crude and the importers of free world oil. However, since Idemitsu and the others can claim they are cooperating in carrying out the terms of the Soviet-Japan Trade Agreement, it may be no simple matter to arrive at a satisfactory solution of the problem.

Business Trend Basically Frim

EARLIER this year there was quite a controversy among economic experts advancing the theories of superheating, plateau, and over-supply. Today, the fear of superheating of the economy has receded with the disappearance of the uncertainty surrounding the nation's balance of payments, and now the two conflicting theories are those of plateau and over-supply.

Plateau and Over-Supply Theories

Representative of the over-supply school of thought are the interpretations of the situation made by the Japan Management Association (Keizai Doyu Kai) and the Economic Planning Agency ("Economic White Paper, 1960"), while the Bank of Japan, the Federation of Economic Organizations, and the Adjustment Bureau of the Economic Planning Agency favor the plateau theory.

When the predictions of these two schools in regard to growth of demand are compared, it is found oddly enough that the over-supply alarmists count on a higher rate of increase than the supporters of the plateau viewpoint. According to a statement made by the Japan Management Association on July 26, last, the growth rate for fiscal 1960-61 of the gross national product, duly corrected for price fluctuations, is estimated at 7.5 percent. On the other hand, the Adjustment Bureau of the Economic Planning Agency when explaining the situation to the Policy Committee of the Liberal Democratic Party on August 15, last, said that the estimated GNP growth rate is 7.3 percent. It must be noted, however, that this last figure does not take into account the expected increase in demand resulting from implementation of new economic policies. This upping of demand will doubtless in-

crease the growth rate to a percentage higher than that estimated by the Japan Management Association.

However, the JMA also opines that "business recession will be postponed to next fiscal year if reasonable demand can be stimulated by tax abatement and public investment together with a considerate credit policy which does not unequivocally call for tighter money."

All in all, there is but little difference in the predictions regarding the degree of rise of demand, and conflicting opinion exists only in connection with the increase of the capacity for supply. Even those tending toward pessimism about the relationship between supply and demand do not show serious concern.

Consequently, even should there appear signs of recession such as are feared by some quarters, there is little likelihood that the situation will be anything serious, and matters will probably be correctable by fairly simple remedial action. For, when one talks of counter-measures to combat recession, the actions that come immediately to mind are positive fiscal spending by the Government and easing of credit by the Bank of Japan; and both these remedies can be administered with a fair amount flexibility now that the balance of payments continues to indicate considerable stability.

In the private sector, there is little or no indication of speculative moves in connection with investment in inventories or in plant facilities, while generally speaking there is occurring considerable improvement of finances particularly among the medium and small businesses as well as in the provincial economies. Consequently, there is little likelihood that there might occur a sharp drop in demand as was seen in fiscal 1957-58, and curtailment of production, even if such a thing should become necessary, need not be at all excessive.

Such being the case, there should be no need for any major move to counter recessive trends. The reason for the strong opposition to issuance of government bonds in fiscal 1961-62 by both the Government and the business world is based, primarily, on widespread confidence in the future of business activity.

High Plateau Will Continue Into Next Fiscal Year

The situation, basically, should not change in the coming fiscal year. It can be said, however, that changes in business trends abroad will most certainly affect Japan. More will be said about world business later; but it can be said that there has set in a weakening of the uptrend which has been a feature of the situation in the United States. The boom in Western Europe, however, is still young and vigorous, while the economies of the underdeveloped nations must be given a boost. Therefore, on the whole, there is little or nothing in the world economy that would tend to depress the economy of Japan.

The Adjustment Bureau of the Economic Planning Agency has tentatively set the economic growth rate for fiscal 1961-62 at 5.5 percent. However, this estimate does not take into account the new policies proposed by the Ikeda Government, which should increase the rate to about 7 percent at least. This, nevertheless, would be

half the rate achieved in fiscal 1959-60, for it is expected that a decline will result from the ending of such special conditions as the TV boom, replenishment of raw material inventories, and the sharp rise of exports to the United States. Moreover, the 7 percent rate is in line with the proposed doubling of national income in ten years. Another noteworthy thing is that even if the growth rate of fiscal 1961-62 should be less than that of the current fiscal year the slope of the curve will most likely be steeper. For, with the industrial production index, corrected for seasonal fluctuations, whereas in April 1959 it stood at 167 points (1955-100), the level in March 1960 was 216 points, indicating a gain of 29 percent in the interim; and even should the month to month comparison of production during the current fiscal year show but little increase, the year to year comparison will reveal considerable difference. According to a preliminary estimation worked out by the Adjustment Bureau of the Economic Planning Agency, the rise in production during the current fiscal year should be by 16.9 percent so that at yearend (March 1961) the industrial production index will be at 226 points. Early reports on production during July indicate that the industrial production index had already gone up to 228 points, exceeding the prediction for yearend. The Ministry of International Trade and Industry considers the EPA prediction to be over-conservative, and calculates on the basis of July figures that the growth of industrial production this fiscal year will be about 19.5 percent. Even then, it is probable that the curve will be less steep this year; and if this be the case then the rate of gain in fiscal 1961-62, while diminishing on the basis of year to year comparison, will follow a steeper curve within the annual period. Consequently, if the view expressed by some people that the current situation represents a "recessionary plateau" is accepted as implying a levelling off of production and a softening of prices, then in the coming fiscal year there will at least disappear any slowing down of productive activity.

It often happens that business trends move quite contrary to predictions, and it may happen, ironically, that production will begin to climb during the months to come. In this case, fiscal 1961-62 will indicate a recessionary plateau. But even then, a plateau is a plateau, and no major decline is foreseeable.

Product Inventories Rising, Material Stocks Falling

The foregoing is a general outline of the business outlook for this fiscal year and fiscal 1961-62. It may be of some interest to attempt an analysis of some of the problem points.

One of the strong reasons for the argument that over-supply will appear in the second half of the current fiscal year is that investment in inventories is on the decline. The Economic White Paper of 1959 made quite a point of the completion of actions directed toward replenishment of inventories, while this year again the same stand is taken for explaining the business situation. The important thing, however, is to ascertain whether there really exists a surplus of inventoried materials, or whether inventory

58, Paddington Street, London, W. 1 (England)

exchange crisis and credit curbs.

This time not only have the producers been cautious because of mounting product inventories, but such factors as tight money, promotion of trade and exchange decontrol, and weak commodity prices worked to prevent excessive stockpiling of raw materials. With the peak registered in March, last, material inventories have been on the decline. Whereas for 17 months, from the low of October 1958 up to March 1960, there was, except for two months, a steady rise in material inventory volume by 28 percent, there was subsequently up through June a decline of 1 percent; and in June, for the first time since September 1956 the material inventory rate dropped below the 100-point level. This resulted, in July, of replenishment spending, but the rate still remains at less than 100 points.

Among material inventories, those indicating the most notable decreases are imported supplies. The level in June last was 6 percent below that of March; and while there was a rise in July, the March level remains unsurpassed, with the inventory index at 91 points. This decline in material inventories is considered by some quarters as constituting a cause for future increase in importation. Nevertheless, considering the rise in product inventories, the increase in semi-finished goods as shown by Ministry of International Trade and Industry statistics, and the improvements effected in inventory control, there is little room for arguing that import purchases will suddenly go up in volume.

For all this, there is no denying that a tendency toward oversupply has appeared in the case of some pro-

ducts. It must be noted, however, that a similar trend occurred in the summer of 1956, with bottlenecks encountered in steel, electric power, transportation, coal, machinery, and skilled labor, while idle capacity bothered such industries as cement, petroleum, flourmilling, edible oils, sugar, fertilizer, and electrical appliances.

Such surpluses gradually disappeared thereafter; but because there was considerable speculative investment in inventories, the reactionary slump of 1957 was intensified. Because this time there is no such speculative stockpiling, the effect on business activity of inventory spending can be expected to be negligible.

Corporate Earnings Continue Rising

There is also the view that next to inventory financing excessive investment in plant and equipment tends to act as a depressant upon business. The production figures for July last show that with durable consumer goods the output was 20 percent higher than in June, while with capital goods the gain was as high as 57 percent (overall average, 94 percent). Consequently, should there be a decline in investment in plant and equipment, the effect on business activity will be of no little magnitude.

Various surveys indicate slight decline in practically all sectors during the second half of the current fiscal year. The volume of new loans for plant and equipment has tapered off somewhat since peak level was achieved in March last. Nevertheless, when the long-term investments of the growth industries and the investments undertaken to meet the situation created by liberalization of trade and exchange are considered, it appears highly probable that investment in plant and equipment will continue to increase during the second half.

Moreover, all indications are that export, individual spending, as well as government and public spending will all increase notably in the months to come.

Prices, except for food and public services charges, tended to remain on the soft side, particularly with the growth industries and the sectors which will be affected by decontrol of trade. All in all, however, the price level remains somewhat higher than before the Ise Bay typhoon of last year. Even with textiles and steel, prices have appeared to have steadied after considerable declines, and in some cases there have occurred corrective rises.

Particularly notable are the labor shortage faced by the medium and small businesses and the implementation of the Minimum Wage Law since these have contributed substantially toward suppression of excessive competition.

From this review of the situation, it can be judged that business sales and earnings will continue to increase. Although there are such detractive factors as rising labor costs, lower utilization of available capacity, and intensification of competition, there are, on the other hand such advantageous factors as cheaper money and improved production facilities, which should result in cost reduction. Heretofore, whenever sales volume rose, the rise of profit was even greater. There is some doubt as to whether this will continue indefinitely, but it is certain that profit will not go down in the foreseeable future so long as sales volume continues to go up. Moreover, depreciation coverage is tending to increase. In short, both private enterprise and the Japanese economy have become more sound and durable. This point must not be lost sight of when considering the practicability of maintaining a high plateau of business activity.

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Industrial Structure Intensified

Japan's industrial structure has been expanding on an intensive scale with the manufacturing sector particularly forging ahead, according to an interim report by the Industrial Structure Study Council (Sango Kozo Kenkyukai) of the Ministry of International Trade & Industry. The interim report, made public on July 11 under the title "The White Paper on Industrial Structure," analyses the recent changes in Japan's industrial structure with special reference to past transitions, present trends and future prospects. The Council takes up three major developments in the present analysis, namely: 1) The increasing weight of heavy and chemical industries in the production phase; 2) The belated advance of heavy and chemical industries in the export phase; and 3) The characteristic features of the cost composition of export products. Salient points of the report on these three specific phases are taken up in this article.

Increasing Weight of Heavy & Chemical Industries

Japan's gross national product in 1946 declined to 65.0% of the prewar (1934-36) average and industrial production (mining and manufacturing inclusive) dropped to 28.0%. The recovery has since been energetic, with the former returning to the prewar level by 1953 and registering the marked increase of 36.0% in the recent five years. As of 1958, gross national product was 1.8 fold larger than prewar and industrial production stood 2.2 fold higher. The notable economic growth of Japan since the war's termination is attributable first of all to the marked increase in production to cater to the expanding domestic market on the strength of active investments in plants and equipments. The growth of production has been especially noteworthy in the manufacturing sector with the index in 1958 standing at 235 against the prewar average at 100, as compared with 141 for the mining sector and 131 for the agricultural sector. The domestic market has expanded not only for producer goods through by the increasing tempo of plant-equipment investments, as consumer spending has given a larger weight to durable goods, thus enabling the swift aggrandizement of heavy and chemical industries in these few years. The expansion has been especially energetic for machinery, which has been taking the helm of the onward march of the production growth in the manufacturing sector. While the production in the manufacturing sector as a whole in 1959 stood at 1.8 fold the 1955 level, but machinery registered a sharper increase of more than 3.0 fold in the interim. In consequence, the weight of

1. Weight of Heavy and Chemical Industries in Principal Countries

	In Industrial Structure	In Export Structure
Japan	60.2%	39.6%
U.S.A.	57.8%	51.3%
West Germany	57.0%	71.0%
United Kingdom	61.3%	64.0%

Source: Ministry of Finance; Ministry of International Trade & Industry.

machinery in the manufacturing sector swelled to 30.0% in 1958 from less than 20.0% in 1955. In view of the fact that the growth of machinery industry's ratio in the nation's manufacturing production from 20.0% to 30.0% took about 20 years in the U.S. and the United Kingdom, it may be well imaginable how swift has been the tempo of transformation now taking place in the structure of Japanese manufacturing industries.

Belated Advance of Heavy & Chemical Industries in Export Trade

The situation is somewhat different in the export phase. As shown in Table 2, textile products predominated in Japan's export trade in 1934 (60.0% of the total shipments) while other goods were comparatively insignificant, including machinery which accounted for less than one-tenth of textile sales. Even after the war, machinery was still low with export shipments thereof taking only about 10.0% of the export sales in 1950. Since 1957, however, machinery has continued to take more than 20.0% of the total export trade while textiles receded to around 30.0%. Despite their noteworthy advances in recent years, however, the weight of heavy and chemical industries in export trade in Japan is still extremely lower than the corresponding ratio in other industrial countries, chiefly because the share of textile products, although steadily declining from the prewar level, is still markedly heavy as compared with the export pattern of other advanced nations. As noted in Table 1, the weight of heavy and chemical industries has advanced almost at the

2. Japan's Exports by Commodities (Indices)

	1934	1950	1957	1958	1959
Foodstuffs	8.0	6.3	6.4	8.2	7.6
Textile Products	60.3	48.6	35.5	31.0	29.8
Pharmaceuticals and Chemicals	4.6	1.9	4.4	4.8	4.8
Non-metallic Minerals	3.9	3.7	4.1	3.7	3.7
Metals & Metal Goods	6.2	18.5	11.3	12.9	11.6
Machinery	5.8	9.9	22.0	21.8	23.4
Others	11.2	11.0	16.8	17.6	19.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance.

3. Comparative Weights of Commodities in Exports of Major Countries

	Japan	U.S.A.	United Kingdom	West Germany	France
Foodstuffs	0.6	1.1	0.4	0.1	0.9
Textile Goods	4.6	0.4	1.3	0.6	1.4
Non-metallic Mineral Products	2.3	0.6	1.2	1.3	1.0
Chemicals	0.8	1.2	1.3	1.7	1.3
Metals & Metal Goods	1.0	0.7	1.0	1.2	1.4
Machinery	0.7	1.2	1.4	1.5	0.8
Machinery (Excl. of ships)	0.4	1.2	1.5	1.5	0.8
Light Industrial Products	2.4	0.6	0.9	0.8	1.0
Heavy Industrial Products	0.8	1.0	1.3	1.4	1.0

Notes: Figures in the above table compiled according to the following formula:

$$\text{Weight of Commodity B in Exports of Country A} = \frac{\text{Export of Commodity B by Country A}}{\text{Total Exports of Country A}} \div \frac{\text{World Exports of Commodity B}}{\text{Total World Exports}}$$

Sources: Compiled from "Commodity Trade Statistics"

same pace in both the export phase and the industrial structure in other industrial nations, while there is still a wide gap between them in Japan. As shown in Table 3 comparing the characteristic features of the export structure in principal countries, the weight of light industries, especially textiles, is particularly heavy in Japan as compared with that in other industrial countries. In contrast, the share of heavy and chemical industries, especially machinery and chemical products, is comparatively low. Thus, Japan is being called upon to increase the competitive strength of heavy and chemical products in the international arena in order to pave the way for the further development of national industry.

Characteristic Features of the Cost Composition of Japanese Products

Topographically handicapped, Japan depends on overseas sources for more than 70.0% of major raw materials. The situation has grown especially adverse after the war's termination as Japan lost the neighboring supply sources. As shown in Table 4, the prices of raw materials in Japan stand comfortably higher than those in overseas markets. Against this handicap, however, Japanese commodities have been steadily strengthening their competitive power on overseas markets chiefly because of the remarkable elevation of productivity in Japanese industry. Through the spectacular enhancement of productivity, Japanese industry has so far succeeded in coping with the hike of wages and still lowering prices. According to the Analytical Management Survey of Principal Enterprises by the Bank of Japan, the cost of raw materials accounts for more than 60.0% of the total costs of production in the majority of Japanese enterprises while the weight of the labor cost stands at less than 20.0%. Internationally compared, the average weight of the labor cost is low in Japan. To give more concrete figures, the average wage level in the manufacturing sector in Japan stands at \$0.26 per hour, one-eighth of the like scale in the United States and one-half of Britain and West Germany. It does not necessarily follow, however, that the low cost based on the low wage serves as the basis of the competitive strength of Japanese industry on the international arena. The prices of commodities are apt to soar even though the wage scale is low, if the production technique is primitive or inferior and productivity stands lower than the low wage level. It is only when the relative level of productivity is higher than the relative scale of wage that the wage cost borne by a fixed unit of product becomes

relatively lower; and as the processing stages advance, the prices of products grow lower. In this connection, it is noteworthy that the prices of major industrial products in Japan tend to become lower as the processing stages progress at a tempo faster than in the United States, as noted in Table 5.

5. Price Differentials by Processing Stages (USA=1)

Textile Products		Iron & Steel Products	
Raw materials	0.95	Raw materials	1.86
Material yarns	0.68	Primary products	0.95
Fabrics	0.46	Secondary products	0.70
Raw cotton	0.93	Iron ore	1.73
Cotton yarn 20/1	0.78	Imported scraps	1.74
Cotton yarn 30/1	0.74	Round bars	0.72
*Cotton fabrics	0.42	Wire rods	0.92
Cotton socks	0.61	Hoops	0.84
*Average of 3 different items		Iron wires	0.63
Non-ferrous Metal Goods		Sundry Products	
Raw materials	—	Rubber goods	—
Primary products	1.31	Crude rubber	0.97
Secondary products	0.78	Rubber boots	0.24
Copper ingots	1.32	Cow hides	1.38
Aluminium ingots	1.03	Leather shoes	0.97
Copper sheets	0.71		
Copper tube	0.71		
Brass sheets	0.74		
Aluminium sheets	0.87		

Sources: The Wholesale Price Indices by the Bank of Japan;
The Wholesale Price Indices by the Bureau of Labor
Statistics, U.S. Department of Labor.

Liberalization Demands Caution

In these circumstances, the export potential of Japanese products is likely to increase, resulting in the aggrandizement of export trade and the waning dependence on imported raw materials, when the weight of highly processed industries increases. From this standpoint, the rising contribution of machinery industry as an intensively processed branch of industrial products to the intensive expansion of the industrial structure is highly significant. As regards machine tools, which among the machinery branch are destined to contribute most notably to the elevation of productivity of industrial equipments, however, Japan still depends on imports to the extent of 40-50% of the domestic demand. It should be taken into full account in this respect that the wall of import restrictions has so far been the principal support to the domestic market which has been the cardinal spur to the expansion of heavy and chemical industries in this country. With the competitive strength of heavy and chemical industries in the present stage, radical liberalization of import trade holds the risk of hampering the smooth growth of the two industries, much to the obstruction in the future expansion of the industrial structure. In enforcing import liberalization, therefore, care should be taken in choosing a good timing.

4. Commodity Prices in Japan & U.S.

(U.S. Indices=100)

	1936 (a)	1959 (b)	(b)/(a)
Cotton yarn	53.1	73.7	138.7
Woollen yarn	64.2	75.1	117.1
Pig iron	75.6	113.7	150.3
Copper	*104.2	120.4	115.5
Lead	*105.2	114.2	109.2
Non-coking coal	109.4	197.9	180.9
Heavy oil	94.8	108.4	114.4
Soybean	102.3	207.6	202.9
Sugar	125.7	512.1	407.0

Note: * in 1937.

Source: Federation of Economic Organizations for copper and lead;
MITI for other commodities.

6. Rapid Growth of Machinery Industry (1955=100)

	Manufac- turing	Machi- nery	Textile
1955	100	100	100
1956	123.5	145.2	118.8
1957	146.4	202.1	131.2
1958	147.0	216.4	117.7
1959	185.2	310.1	137.9

Source: Ministry of International Trade & Industry.

Views & Topics

Japan's Petroleum Industry

By *Shun'ichi Takeuchi*

THE Japanese Government has made public its "Outline of the Plan for Liberalization" as a decision of the Cabinet Council for Promotion of Liberalization of Trade and Exchange. According to the announced plan, the rate of liberalization three years hence will be 80 percent (90 percent if coal and petroleum are included). Regarding petroleum, the Plan, while recognizing that "with adjustments of the industry being undertaken to conform to liberalization, the situation is such that consideration of liberalization in the near future is possible" comes out with the conclusion that "careful thought is necessary in connection with the timing [of liberalization]" from the standpoint of coordinated planning for sources of energy, including maintenance of stable prices for both coal and petroleum.

The petroleum industry contends, however, that in line with the basic policy of refining at the point of consumption, importation of crude oil on automatic approval basis should be permitted at the latest by fiscal 1963-64, the target year for completion of the streamlining of coal mining operations. Also advocated, as a condition for such decontrol, are revision of the customs tariff system, measures for constitutional improvement of the petroleum industry, and other necessary actions, in consideration of the special circumstances under which this industry now operates.

The writer wishes, in this article, to cite some of the major problems facing the petroleum business in connection with the proposed decontrol of trade and exchange.

International Competition

Subsequent to the postwar removal of direct control over petroleum, the growth of consumption has been extremely rapid, and the result has been notable increase in the degree of dependence on importation. Because of the postwar policy of domestic refining, importation of crude has mounted year by year while production of domestic crude has marked time at a low level of about 40,000 kiloliters per annum despite intensive exploration and development efforts. Consequently, the ratio of domestic to imported supply of crude has steadily declined to only about 2 percent in recent times.

Moreover, the cost of domestic crude is considerably higher than that of the imported oil. Currently, under the exchange control system, it is possible for this differential to be absorbed by the three companies taking delivery of the home product; but once liberalization takes place it is doubtful that any refinery would care to accept more costly oil.

Although the crude available in Japan is a valuable natural resource it has already lost any quantitative value; and if its merits are low the measures to be adopted for

domestic crude after liberalization should be seriously considered promptly not only by the well operators, but also by the refiners as well as the Government. However, it should be noted that to impose protective duties on imported crude would not be at all appropriate. Because of the circumstances already made clear, it is manifest that dependence on imported crude will be greater than ever; and in the light of the facts that petroleum is an important industrial material, that every effort must be made in connection with liberalization of trade to lower the cost of energy and power, and that development of Japan's refinery industry must be undertaken with zeal, it is but logical to propose duty-free importation of crude. Even though protection should be necessary for domestic oil protection, such protection must be afforded in some separate way. This should not be at all difficult considering the small quantity involved.

Let us next turn to the relationship between the c.i.f. price of imported petroleum products and the price of domestically refined products.

Whereas with crude there is maintained a stable price on a worldwide basis, the f.o.b. price of products, although generally stable in the long run, tends to fluctuate considerably from time to time depending on the market situation of the producer nation and of the world as a whole. The stability one can expect with the price of crude simply does not exist in the case of refined products. To make matters worse, tanker rates make up a big proportion of the c.i.f. price, while for transportation of petroleum products the rates tend to fluctuate because spot rates are involved. In any case, the c.i.f. price of products is far more subject to change.

In the postwar era, the policy of most nations has been to import crude for processing locally to obtain the various derivatives. This is known as refining at point of consumption; and with this method most leading countries of the world have achieved self-sufficiency in refinery products. Consequently, it is conceivable that each country will work out its own price structure for petroleum products; and in any case, when discussing the petroleum problem, it is well to remember that there has ceased to exist in the world any outstanding or exclusive source of petroleum products.

Before the war, the price of petroleum products in the world market was, for the most part, set by the going prices in the United States; and Japan was no exception. After decontrol of trade and exchange, the market price of petroleum products in Japan will undoubtedly veer in the direction of the c.i.f. price of the imported product. This is both natural and desirable, but there are two or three things that must be considered.

a) Even after decontrol, the policy of importing crude

for refining domestically will undoubtedly be continued. However, because of existing imbalances between supply and demand, it will be necessary to continue for some time yet with importation of a considerable quantity of fuel oil and perhaps some other types of petroleum products. Although from the consumer's standpoint, the lower the price the better, too great a difference in price would most certainly disrupt the domestic market to oppress the refining industry inordinately. Currently, domestic prices generally are somewhat higher than c.i.f. prices of foreign products, due for one thing to the differential between tanker rates for crude and derivatives, and for another to the difference in size of the refineries in operation.

b) Tanker rates are invariably higher for crude than for the refined product. This is mainly because crude is transported by tankers chartered on a long-term basis, while spot rates are applicable to product. The difference between long-term and spot rates varies from time to time, but currently, in terms of standard rates, the spot rates are from 20 to 30 percent lower. This is one reason for the higher price of domestically refined product.

c) The difference in size of Japanese and foreign refinery operations is another factor that must be considered. Petroleum products for Japan come mainly from refineries in California, Indonesia, and the Middle East.

The average crude throughput capacity of refineries in these areas are, 88,779 bbl. daily in California, 95,500 bbl. in Indonesia, and 245,125 bbl. in the Middle East. The Abadan refinery in the Middle East is capable of 415,000 bbl. daily, while there are several other installation with capacity in excess of 100,000 bbl. per day. Japan now has 23 refineries, and the average daily processing capacity is 26,300 bbl. While a few are capable of more than 30,000 bbl., the majority are of small size of from 10,000 bbl. to 20,000 bbl. capacity. This smallness in size is one reason for the higher price of domestically refined petroleum product. Although increase in size, and higher concentration of refinery operations can be foreseen in view of the rapidly mounting demand, numerous difficulties, including site and money problems, are holding up action in this direction.

Sources of Refined Product

There is entertained considerable fear that easing of the restrictions on importation will result in dumping of petroleum products on the Japanese market by foreign producers. In this connection, the writer feels that a better knowledge of the world petroleum situation since the war would go far to dissipate such apprehension.

Two major changes have occurred. One is that the United States which before the war used to be the biggest supplier of petroleum products to the world market has become a leading importer of crude and has lost much of its ability to export petroleum and its derivatives. Moreover, since most consumer nations have adopted the policy of domestic refining, there has virtually disappeared any outstanding source of refined products. The other change is that with better coordination of the oil business throughout the world, the possibility of dumping,

one of the major worries of prewar times, has receded. Today, there is maintained, on a regional basis, good equilibrium between supply and demand of petroleum products; and the oil companies all recognize that excessive competition and price wars are of no benefit to anyone. Consequently, together with the disappearance of big sources of supply, stability such as was not possible before the war is now a reality.

The West Coast of America, including California, which before the war was the major source of supply of petroleum products for Japan, has now become an importer of crude, while equilibrium appears to be fairly well maintained between export and import of products. Although there appears to be some surplus of medium grade distilled product, much cannot be expected of this area as a source of supply. The United States and British oil companies operate big refineries in Southeast Asia and in the Middle East, but their products flow to established customers, and here too there appears to be no notable surplus. Consequently, even after liberalization of import trade, there is little likelihood that large quantities of petroleum products will come into Japan on a scale comparable to prewar.

Needless to say, it would not be correct to say that there is no surplus capacity for export sales of products. From time to time, depending on various circumstances, there could be some disturbance between supply and demand. We most certainly cannot altogether discount the possibility of various types of products being brought into Japan, though not in excessive quantities, at ridiculously low prices to threaten the price structure and production of domestic refined products. For this reason, it will be necessary to set up a satisfactory system of tariffs.

Today, there is nothing particularly notable about the refineries of Japan in regard to backwardness. All the facilities were bombed out during the war, and reconstruction, based on reopening, was restricted to the minimum capacity of the destroyed facilities. This was barely enough to fill the refining requirements of the time. However, with demand rising rapidly thereafter, and with efforts made to improve the quality of the product, there were undertaken in rapid succession a number of expansion and modernization projects. Consequently, the bulk of Japan's refinery capacity is of modern design involving the use of foreign patents. One of the major objectives of modernization was the production of high-octane gasoline to meet the requirements of modern motor car engines, and for this there was undertaken introduction of foreign technology and knowhow. The resultant refinery facilities therefore are of the most modern type, and of high performance rating by international standards. Fully automated, the refineries of Japan rank among the best and the most modern in the world. This is a situation entirely different from that of prewar and wartime days when only a sprinkling of high performance facilities existed. Consequently, the products of Japanese refineries today are of a quality second to none.

With the induction of the latest processes for production of lubricating oil, the quality has improved to the

extent that importation need no longer be continued, as has been the case with the gasoline. We are, therefore, no longer in any sense underdeveloped in respect of petroleum refining.

Nevertheless, there is a weakness in that, as already explained, the unit size of the refineries tends to be on the small side by world standards. In recent years, the total capacities of the refinery operators have been rapidly increasing with a tendency to concentrate upon large plant facilities. But the number of plants in operation is still excessive, and this results in low productivity per capita. This disadvantage, however, is gradually disappearing as bigger plants are built to meet the growing requirements.

In any case, the refineries are engaged in technological innovation and in expansion of capacity; while in quality of product it can be said that we are in no way inferior to foreign competitors.

Petroleum refining is an industry completely dependent on plant facilities, and it is possible by volume production to reduce costs drastically. However, since there is very little value added, there is not very much leeway for cost reduction through efficiency in use of labor. In the overall cost of the product, the proportions attributable to importation freight and to inland haulage tend to be large, and in this respect more effort is needed on the part of the operators.

Attitude of the Industry Toward Decontrol

The petroleum industry was under direct government control in a sense of protection for 18 years, from 1934 to 1952. This protection was granted the industry because of war production needs, and because of postwar recovery requirements. With removal in July 1952 of direct control, the industry became free to decide on production, distribution and pricing, but because exchange control continued to be exercised there was, in actual practice, very little freedom of action. It cannot be said that the petroleum business is a free enterprise. If the "voluntary" regulation effected under administrative guidance up to 1934 is included, the petroleum industry of Japan can be said to have had no true experience of freedom for more than three decades. Such being the case, it is extremely difficult to predict the changes that might occur to the existing pattern after full liberalization of trade and exchange. Decontrol, after all, presumes free competition; so it can be expected that competition will become more intense than ever before. The problem is whether such competition will be of reasonable degree or unreasonably excessive.

We of the petroleum industry would like to adopt the attitude explained below. Japan must, whether she likes it or not, be increasingly more dependent on imported petroleum as a source of energy for her expanding needs. While the world situation makes it difficult to depend on large imports of refined petroleum products, there is a steady and plentiful supply of crude. Therefore, stability cannot be obtained without recourse to the policy of refining at the point of consumption, and the basic stand in regard to decontrol of trade and exchange should be unequivocal adherence to this policy of importation of crude for local refining, and adoption of measures calculated

to promote sound and healthy development of the refining business.

As for the steps to be taken toward decontrol, although the problem cannot be worked out without some reference to the coal industry rehabilitation program which should be speeded up as much as possible, it is desirable that decontrol of crude be effected in fiscal 1963-64 at the latest, while with refined products, the earliest possible time be decided upon after the domestic price structure has been rectified by various measures undertaken by the industry and the government in full collaboration.

The competitive strength of Japan's petroleum refining industry in the world market after decontrol cannot be expected to be adequate, even though quality is high enough, because of the aforementioned handicaps of small plant size and high cost of transportation. Consequently, for some time it will be necessary to have some degree of protective tariffs. No customs duty should, as has been already explained, be levied on imported crude, and further explanation will be left to some other occasion.

Because the petroleum industry enjoyed protective control in the past, it has become accustomed to fairly high profits. It can be assumed that the profit rate will decline after decontrol. Yet, because of rising demand, the industry will be compelled to spend huge sums of money for expansion of facilities. Consequently, effort will have to be directed toward sound management and accumulation of capital. Simultaneously, both the Government and industry as a whole should give special consideration to enable the petroleum industry to gain a reasonable profit, and to have access to long-term, low-interest loans. The oil companies are no more constitutionally sound than many another industry. It will be extremely difficult for them to effect self-improvement with the lower profits foreseeable after decontrol. While resolute effort will be made to bring about improvements, it will be necessary for the Government to grant effective aid through such things as accelerated and special depreciation to enable accumulation of bigger reserves of funds.

A heavy burden on the petroleum industry is imposed by the gasoline and diesel oil taxes. The purpose of and reasons for these levies are understandable; but because of extremely high rates, the cost of gasoline and diesel fuel is so affected that prices are far out of line as compared to those of foreign products. Gasoline, before tax, is cheaper than elsewhere, while fuel oil is more expensive. After decontrol, the price of fuel oil is bound to drop to the world market level, and since the volume of sales is high, there will be a sharp decline in earnings. On the other hand, with cheap gasoline, if it turns out to be difficult to increase the price to the international level because of the pressure of the gasoline tax and other burdens, running the petroleum refining business will be an extremely difficult matter. Therefore, the domestic price structure must be rectified before decontrol can be effected.

Prevention of excessive competition would be, it goes without saying, desirable. Under the current Anti-Monopoly Law, the formation of cartels is prohibited except in a small way for "rationalization" and for combatting business depression. Legislative action is needed, therefore, to amend the law so that cartelization can be undertaken before the adverse effects of business depression are actually felt.

(The writer is chairman of Petroleum Association of Japan and president of Mitsubishi Oil Co. Ltd.)

Foreign Trade

257 Items More on Free List

The Ministry of International Trade & Industry on September 5 announced to place 257 items more on the free list, effective as from October 1, 1960, as the result of extensive discussions and deliberations pursuant to the Foreign Exchange and Trade Liberalization Program (see this column in the August issue). MITI authorities at first tried to liberalize nearly 400 items as from the latter half of fiscal 1960, but it was finally decided to keep off the free list for the time being about 40% of these items on the ground that their free imports would bring about serious bearings upon domestic industry. As for buses, trucks, rubber goods, some textile goods, benzol, etc., hot discussions broke out about the conditions and repercussions of their liberalization, but a final decision was made at the eleventh hour not to free them in the latter half of fiscal 1960.

Thus, the liberalization of import trade has been put off for many big items, so the rate of liberalization (compared with fiscal 1959) in the latter half of fiscal 1960 (ending with March, 1961) will go up only 2% to 44% from the preceding semi-annual term. The total imports of the liberalized items are estimated at about \$60 million a year.

MITI authorities are most likely to work out and put into practice continuously free trade measures for many other items, for they appear determined to liberalize at the latest by April, 1961, "those items scheduled to be freed as soon as possible (or within one year)" in the Liberalization Program.

Items closely related to agriculture, beer, etc. have been excluded from the recent liberalization steps because no agreement of opinion has yet been reached among ministries concerned, namely the Ministry of Agriculture & Forestry and the Ministry of Finance as well as the Ministry of International Trade & Industry. As soon as the gap between these authorities is bridged, free measures will be announced.

Important items to be liberalized as from October 1 are as follows:

(A) Automatic Approval (AA) System

(1) Heavy Industry—pig iron, sponge iron, anvils, saw frames, hand drills, compasses, inside and outside calipers, vices, drawing machines, tea making machines, tea making machines, chainblocks, electromagnetic clutches, glass cutters, cir-

cular saws (for wood, more than 1 meter in diameter), table type band swing machines (for wood), hand calculators, microfilm equipment and accessories thereof, vegetable fibre spinning machines, steam and hand winches, Kappes, barley hulling machines, straw dampers, air spike drivers, hand knitting machines, bicycle air pumps, fire extinguishers, diving equipment, medical use electric bulbs (excluding those for infrared ray), flash lamps for photography, electric bells, tricycle trucks, room heating boilers and accessories thereof, clinical thermometers, injection syringes and needles, water meters, thermometers, barometers, pressure gauges, surveying machines, etc.

(2) Light Industry—butadiene, glycerine, industrial soap, powder soap, washing soap, hardened oil, pigments, paints (putty, manganese putty, paint drier), solvent naphtha, pyridine, methanol, formalin, methyl chloride, rubber pipes, salad oil, wooden tableware, glass fibre and fabrics, tiles and other porcelain building materials, sheet glass (less than 2 mm in thickness), glasses and other glassware, thermos bottles, pottery and porcelain, cutlery, porcelain insulators, travel supplies, footgear, sliding rules, buttons, rubber hoses, solid tires (for bicycles, automobiles and aircraft), fur goods, etc.

(3) Textile Industry—synthetic textiles (staple and filament), waste yarns, wall paper, cotton and silk knitted goods, tire cords, hammocks, curtains, aprons, blouses (silk, etc.), garments, caps and hats, shawls, mufflers, viscose rayon neckties, brassieres, corsets, etc.

(4) Mining Industry—silver ore, zinc ore, alumina, cobalt scrap, amber, etc.

(5) Agriculture & Forestry—fruits (canned and bottled), vegetables (canned and bottled), rye, millet, coffee beans, cocoa beans, sauce, mink furs, squirrel furs, bamboo, etc.

(B) Automatic Fund Allocation (AFA) System

(1) Heavy Industry—nuts, pipe cutters, pie wrenches, laminated and unit type cells, etc.

(2) Light Industry—maleic anhydride, acetic acid, water paints, isotopes, chloroform, etc.

Current Transactions in Black

In July, the overall favorable balance of foreign exchange transactions came at \$48 million, or up \$13 million from a month ago. Not only that, current transactions alone favorably balanced at \$1

million after a lapse of four months, and commodity trade also registered an excess of exports over imports for the first time in seven months.

All this was ascribed, for the most part, to the fact that overseas shipments reached the second highest peak since the war's termination. Another factor which cannot be disregarded has been the ever-increasing influx of short-term foreign funds, European dollar funds in particular, since the introduction on July 1 of the free yen account system.

Foreign currency reserves as of August 31 came at \$1,570 million, or a gain of \$64 million from a month ago. This was the third biggest gain in a month since the war's end, next only to that registered in February (due to the issue of foreign currency bonds) and July (owing to the transfer of the revaluated gold reserve into the foreign currency reserve), 1934.

According to a customs survey, exports in August totalled \$342 million, or a slight increase of \$2 million (0.6%), but the total turned out 13.4% bigger than a year ago. Imports summed up to \$369 million, or a decrease of \$10 million (2.8%), but the figure showed a gain of 27.1% compared with the like month of 1959. Thus, it is seen that outgoings and incomings have been kept on a very high level, respectively, since June and May, this year.

On the export list, metals and products thereof marked up a remarkable gain of \$232 million, or 5%, from a month ago, registering the postwar high record, due to the conspicuous increase of iron and steel sales (the postwar high figures recorded in both quantity and value). The 100% increase of ships sales resulted in an overall growth of \$17 million or 15.6% in the total value of machine and equipment exports. On the other hand, textiles and textile goods, which accounted for nearly 30% of the total shipments, slightly declined from a month ago, but they have been on the \$100-million mark since June, or much better business than at first feared.

In import trade, few noteworthy changes took place in August except the decreases of mineral fuels (off \$7 million or 10.3% from a month ago) and cotton, wool and other textile materials (off \$6 million or 10.0%).

Favorable Balance Expected to Stay
With a view to compiling a foreign ex-

change budget for the latter half of fiscal 1960. Ministry of Finance authorities now are making an extensive study of the international payments position and outlook. Based upon the data thus far collected, they expect that the black ink tone will come to stay in the second half as well as in the preceding term, particularly in the field of capital transactions.

It now appears certain that the overall balance of foreign exchange in the first half will come at \$250 million in Japan's favor. Assuming that the favorable balance in the second half will reach \$100 million, the yearly total in fiscal 1960 would amount to nearly \$350 million. The Ministry of Finance's estimates of current and capital transactions in the coming months are as follows:

(1) *Current Transactions* Coming into the black in July, current transactions are most likely to register some favorable balances again in August and September. It may well be expected that exports will mark up a seasonal boost as usual in the latter half, from October through December in particular, thanks to the probably brisk shipments of Christmas items (bound for the United States), whale oil (for the European countries) and of canned goods and other provisions.

No fear exists, on the other hand, that imports will rapidly grow in the coming months in spite of the marked increase of mining and manufacturing production. It is generally held that the recent upcurve of the inventory level is playing a role to offset the encouraging effects of the production growth upon import trade.

In the first quarter of 1960, imports of materials, especially cotton and other textiles, will show such a seasonal gain that international payments will go into the red. This adverse balance, however, certainly will be written off by the black ink figures accumulated in the past months. After all, the overall balance in the whole half-year term will be in the black.

(2) *Capital Transactions* It deserves special mention that short-term transactions, usance bills by foreign banks and free yen account deposits, now are having greater bearings upon the international payments position than long-term transactions, such as impact loan receipts and foreign capital investments. Foreign bank usance balances in particular increased by about \$100 million in a matter of five months after the end of March and amounted to nearly \$600 million as of August 31. This was attributed, for the most part, to (1) the wider application of usance bills to more import items (put into practice in February and March) and (2) the steady expansion in scale of import trade. But the stimulus of the first factor

to the increase of usance balances now appears to have been exhausted, so there is no possibility that usance balances will continue growing as ever.

The balance of free yen deposits at the end of August summed up to \$128 million, or twice as much as \$66 million a month ago. The most important factor responsible for such rapid growth was the conspicuous increase of European dollar funds deposited with overseas branches of Japanese foreign exchange banks. Free yen deposits transferred from such European dollar funds are estimated to account for 70% or so of the total balance. Ministry of Finance experts expect that European dollar funds in the hands of Japanese banks will continue increasing for some time to come, and that free yen deposits will bulge accordingly, but they believe the rate of increase will slow down.

Tariff Reform Studied by Council

The Tariff Council, an advisory organ to the Finance Minister, has been stepping up its work for reform of the tariff system and tariff rates, in connection with the liberalization of foreign exchange and trade, since the spring of this year. Among various reform measures the most noteworthy step is the creation of something like an emergency tariff system.

Under the present tariff system, any change in rates must needs be introduced by law or subject to Diet deliberation and approval. With such red tape procedure, however, Japan won't be able to cope with the ever-changing conditions after the full-fledged introduction of free trade. Should liberalization measures lead to the rapid influx of cheap foreign goods, domestic industry making the same items would collapse like a house of cards while on the other hand the Solons would be discussing a tariff reform bill with enthusiasm. In this light, trade circles and MITI quarters have been calling for a new system under which the Government will be authorized to change the tariff rates in view of the changing conditions without consulting the Diet. Thus, the Tariff Council is now working out a series of measures for such emergency practice. The outline of the new system is as follows.

1) The new emergency system shall be invoked in case the increase of some imports has brought about or is feared to bring about such serious damages upon cognate domestic industry that it is necessary to take emergency steps from the standpoint of national economy.

2) Special duties (in addition to the formal duties) shall be imposed on extremely cheap foreign goods within the limits of the difference between the prices (including the formal duties) of these imported goods and the normal domestic

prices of the same items.

3) The term necessary for invocation of this measure shall not be specified, but the additional duties shall be imposed by the time when imports of the cheap foreign goods will decline to the extent that the fear of damages to domestic industry will disappear.

4) Before or after the invocation of this emergency step, the Government shall go into negotiations with the GATT member countries concerning the upping of conventional rates (Article 19).

But there will be many turns and twists before this system will be put into practice. Article 84 of the Japanese Constitution provides, "No new taxes shall be imposed or existing ones modified except by law or under such conditions as law may prescribe." The proposed emergency tariff may be regarded as contradicting this provision, for it will grant excessive authority to the Administration in taxation.

The Tariff Council has also been studying the item-by-item revision of the existing rates, and it has informally decided upon the new tariffs for 246 items of import as follows:

Raising duties (figures in brackets denoting the current rates)—Parchment paper, tracing paper, transfer paper and other papers (10%); low-count cotton yarns which now are being exported cheap by under-developed countries (5%); electric refrigerators (15%), for which material costs here are rising so that Japanese makers cannot compete with foreign interests unless the duty is upped to 20% or so:

Reducing duties—Toys (40%), for which Japanese makers have such competitive power that the duty may well be cut off to 20%; art works, curios and collections to be declared free of duty as in the case of paintings (free); shell buttons and slide fasteners (20%); knitted gloves and underwear (25%); acetate rayon, nylon polyvinyl chloride and polyvinylidene (25); notebooks and other stationery (30%).

Keeping the existing rates—Paper and products thereof (10–20%); books, newspapers and printed matter (free); synthetic textiles except the above-mentioned four items and other man-made fibres (25%); wool, cotton, ramie and flax (free); cotton goods (10%); garments (25%); furniture (20–30%); game and sport goods (20–30%); electric appliances except refrigerators (15%).

After further studying the item-by-item modification, the Tariff Council is planning to submit a recommendation for tariff reform to the Finance Minister in November.

Labor

Labor Productivity Up 12.6%:—Japan's labor productivity grew 12.6% in 1959 over the previous year—the highest growth mark ever achieved after the Pacific War. According to the survey published under the title "Survey of Labor Productivity Statistics in 1959" by the Ministry of Labor, industries which showed special energy in hiking labor productivity include automobile, ammonium sulphate and carbide. Industries which showed scanty growth on the other hand, include cotton spinning and tires. The highlights of the survey follow:

(I) Labor Productivity Movement: 1) During the year of 1959, the work hours needed for a unit production declined to 12.6% in all industries combined. As the decline of work hours needed for a unit production means so much gain in productivity, the growth of Japan's labor productivity in 1959 is calculated to have been 12.6%. This figure is higher than 10.2% achieved in the previous peak year of 1956. 2) The industries which enjoyed highest labor productivity growths include: diesel car department (up 27.3%) and small truck department (up 22.8%) in automobile industry; blast furnace department of iron-steel (20.6%); quick-silver method department in electrolytic soda (24.2%); newspaper rolls (21.1%) and Kraft papers (31.8%); and Kraft pulp (27.1%). The industries which showed comparatively low rate of growth, on the other hand, include tires (4.7%); thin Japanese-style papers (4%); wool spinning (6%); soda by ammonium method (5.5%) the and cotton spinning (8%). Other industries showed growths in the neighborhood of 10 to 20%. 3) Well indicative of energetic growth rate of Japan's economy, the labor productivity index of 14 important industries stood as of 1959 at 125.7 on the basis of 1955 figure. Automobile industry registered the highest rate of growth in productivity, followed by ammonium sulphate, carbide, dynamos, pulp, cement and iron steel.

(II) Reasons for Improvement: 1) Major reasons for this improvement in labor productivity are the gradual lifting of production curtailment and the technological improvement. Riding on the crest of prosperity, almost all industries hiked their rate of operation—staple fibers, from 46% to 59%; electrolytic soda, from 65% to 82%, open-hearth furnace iron-steel, from 61% to 73%; and electric furnace iron-steel, from 37% to 49%. Labor productivity in these industries advanced pro-

portionately—for example, 17.7% in staple fibers; 20.4% in electrolytic soda; 8.2% in open-hearth furnace iron-steel; and 15.9% in electric furnace iron-steel. 2) In technological innovation field, the speed-up in passenger car production through mass production system and the large-scale introduction of new machinery to assembly line including belt-conveyor and other automatic systems were instrumental in boosting the labor productivity in automobile industry to a considerable degree. The installation of continuous presses and die-cast machines was brisk in steel sheet processing stages in dynamo manufacturing. Adoption of "through" system in chemical and iron-steel industries also contributed to the hike in labor productivity. Installation of new and powerful facilities is another reason for the large-scale productivity growth. Giant furnaces in iron and steel industry; closed-type converters in carbide industry and continuous distillatory apparatus and giant machines in paper industry are cases in point. Replacement of old machinery with the new textile industry also contributed greatly to hiking their productivity.

Finis for Miike Struggle:—End has finally come to Miike Colliery dispute, where one of the most violent labor-management struggles has been in progress amid the world-wide attention. The Coal Miners Meeting, which was called on August 18 and extended time and again for 20 days, finally approved the move by the executive council to terminate the struggle in line with the Central Labor Mediation Board's plan. This meeting was one of the most stormy and turbulent even for the militant Coal Miners Union and had to be recessed for a number of times because of the deadlock developed during the discussions. Finally, however, majority of the unionists saw the executives' point that the acceptance of the mediation plan was the only way out at the moment, as there was no assurance that they could win by doggedly fighting on. This acceptance, however, does not mean that the executives as well as the members of the Coal Miners Union approved the management's discharge plan. The major reason why the Coal Miners Union had to accept the unacceptable was its fear that, if it refused to comply with the mediation plan, pressures from the Government, the general public as well as the management would become so powerful that the union might have to retreat in yet more ignoble manner. The execu-

tives of the union were quite aware of the fact that, at the moment, the union was in no condition to plunge into another time-and-fund-consuming strike. The weakness of Tanro (Coal Miners Union) has been widely in evidence recently. Union after union had to accept the management's rationalization plans despite the agreement reached in the October, 1959 meeting that they would reject any rationalization moves by the management. It was the Miike Mine Union alone that followed the agreement to the letter. It was because of the realization of this fact that the Coal Miners Union meeting for all its heated discussions for and against the acceptance of the mediation plan finally decided to go along with the mediation plan.

The center of attention at the Miike Mine is now shifted to the question whether there would be a large scale desertation from the first union in favor of the second as was the case with the Oji Paper Union after an equally violent strike. In order to prevent this catastrophe, the Coal Miners Union decided for every unionist to contribute ¥600 during the coming 10 months to help lift the loans burden off from the Miike unionists. A host of organizers are slated to be posted at Miike with the purpose of keeping the first unionists' morale at a high level.

Although the mediation plan was finally accepted, Tanro did not fail to attach rider conditions to the acceptance. First of all, Tanro stated that it was unable to accept that part of the mediation plan which attacked the work-place rallies and strikes in Miike Mine. It also demanded equal and indiscriminatory treatment of the first unionists. If these conditions are not accepted, Tanro continues, it would have to fight a concerted fight against the management. The management, on the other hand, is expected to deal severely with the first unionists backed by the clauses in the mediation plan. Hard sledding, therefore, seems to be in store for both union and management.

For example, some 500 out of 1,200 discharges will take the matter to the court claiming that the discharge is an unfair and illegal action on the part of the management. It will take a great deal of time before the court takes final action on the matter. In the interim, 2,000 strong members of "Defend Miike Dischargee Council" will take the matter to the furthest corner of Japan and try to make Miike a second Matsukawa Dispute. The aftermath of one of the most violent strikes in Japan's labor history will linger on,

Kaleidoscope

Phenomenal Rice Crop Expected:—The total rice crop for the current year is estimated at 12,910,000 tons (86,060,000 *koku*) as of August 15—the highest mark ever predicted in Japan's agricultural history—higher than 12,500,000 tons achieved in the previous year. The report published by Ministry of Agriculture & Forestry on September 1 also states that this is the sixth bumper crop in a row and that the major reasons for this good tidings are: 1) technical advances made in agriculture and 2) ideal weather (high moisture, plenty of sunshine) for rice crop which prevailed during the crucial July and August.

Equipment Investments by Shipbuilding Companies:—Ministry of Transportation drew up a survey on August 23 of equipment investments planned and carried out by shipbuilding companies during the fiscal 1959 and 1960. The survey consists of the achievements in the fiscal 1959 and programs for 1960 at 24 major shipbuilding companies. The highlights of the report include the following information: 1) the total backlog of orders for the shipyards stands at a scanty 1,880,000 tons—enough to last only about a single year. Shipbuilding industry, therefore, is trying to advance to land machinery fields such as bridges, chemical machinery and plants; 2) the total equipment investment for the fiscal 1960 is estimated at about ¥20.2 billion—the highest mark achieved in the post-war days (1959 achievement stands at ¥10.5 billion). Of this amount although the investments in shipbuilding facilities are marking time, those in other machinery production facilities have advanced almost 300%.

Freight Transportation for Fiscal 1959:—Freight transportation volume by trucks has been on a steady upcurve reflecting the recent prosperity. National railway carloadings, on the other hand, are marking time. According to the survey compiled by the Transportation Ministry, the total freight transportation volume by trucks in the fiscal 1959 (Apr., 1959—Mar., 1960) stood at 1,023,680,000 tons—18% growth over the fiscal 1958. In ton kilometers (freight volume kilometers covered), the figure stood at 16,831,880,000—21% growth over the previous fiscal year. National railway carloadings, on the other hand, stood at 182,600,000 tons (or 49,668,000,000 ton kilometers) mere 9% growth over the previous fiscal year.

Petrochemical Combinat:—Maruzen Petrochemical Industry and Shin-Nippon Chisso Hiryo K.K. is scheduled to embark shortly upon the first stage construction of the Petrochemical Center in Goi Area, Chiba Prefecture with the total fund of ¥10.0 billion. Annual 40,000 ton production of ethylene is expected when this plan is completed. Recently, Ube Industries, Nippon Soda and Electro-Chemical Industry joined in the two companies to draw up the second stage of construction to put the petrochemical center on an international scale. The total construction fund stands at ¥80.0 billion among the five companies. When the second stage is completed, the total ethylene production will be boosted to an annual 132,000 tons—the largest petrochemical combinat in Japan.

Net Receipt Rate of Foreign Exchange:—According to the announcement made by Economic Planning Agency on September 13, Japan's net receipt rate of foreign exchange in 1959 stood at 84.3%—0.8% higher than the 1958 achievement. The net receipt rate, therefore, has been steadily climbing ever since 1954 when it hit the bottom (77.1%). The growth rate, however, is slowing down—from 2.2% in 1955 to 3.3% in 1956 to 1.7% in 1957 to 0.8% in 1958 and to 0.8% in 1959. By commodities, chemicals advanced from 92.0% in 1958 to 95.2% in 1959; foodstuffs, from 93.9% to 94.5% and textiles from 77.6% to 80.0%. On the other hand, iron-steel declined from 79.1% to 76.6%; non-ferrous metals, from 71.8% to 67.9% and machinery, 91.0% down to 89.3%.

Survey of Manufacturing Industries in Fiscal 1959:—Ministry of International Trade & Industry announced on September 13 its survey of various aspects of manufacturing industries. A part of the industrial statistics survey carried out as of the

end of December, 1959, the current report covers manufacturing enterprises having more than 30 employees. The highlights of the report follows. In sharp contrast with the previous year, production activity of manufacturing industry in 1959 was phenomenal. The number of enterprises grew 12.4% to 39,175, while the number of employees advanced 15.2% (623,748 in concrete figures) to 4,730,443. The total production amount, on the other hand, grew as much as 25.1% to ¥10,143.3 billion to eclipse the ¥10,000 billion for the first time. The delivery amount likewise grew 23.2% to ¥10,047.8 billion. Taking the figure in 1952 as 100, delivery stood at 227.4 in 1957; 218.4 in 1958 and 269.1 in 1959 to indicate the size of Japan's economic activities. Added value, on the other hand, stood at ¥3,041.1 billion—31.4% growth over the previous year's achievement, while investments in fixed assets also advanced 16% to the total of ¥695.1 billion.

Establishment of New Iron-Steel Works:—Japan's iron & steel companies are showing a great deal of energy in building new iron works in order to meet the growing demands for steel products. For example, Kobe Steel Works has decided to establish a new iron works at Kakogawa, Hyogo Prefecture, while Yawata Iron & Steel is now surveying a site in Yokkaichi City. Nippon Kokan and Kawasaki Steel likewise are scheduled to decide the place where to build new iron works. As these companies claim that more than 6,500,000 sq. m. of site is necessary for their iron works, the new works are expected to be far bigger than the existing ones.

Iron-Steel Technical College:—College Education Committee of Japan Iron & Steel Federation has recently decided to take the following measures to help fill the great deficiency in technicians—1) in order to train medium-class technicians, junior colleges will be established at two or three places with ¥500 million fund for each; 2) subsidies and scholarships will be made to colleges and universities to the tune of about ¥270 million annually. This is the first time for the Japanese industry to join hands in establishing a speciality college and denotes the seriousness of the lack of technicians and engineers in iron-steel industry. The number of science university graduates recruited by iron-steel industry has been steadily growing in recent years. The number, which stood at 185 in 1955, grew to 390 in 1957 to 573 in 1959 and further to 778 in the current year. The figure is expected to grow further to about 1,500 in 1965. However, the number of university graduates (science majors) is very much limited. Even with such first-class iron-steel firms as Yawata and Fuji, applicants who majored in electrics, machinery and chemicals were short of openings. Only those who majored in metallurgy met the openings. In the second-rate iron-steel firms, therefore, not nearly enough applicants (even including local university graduates) came to knock the door.

"Cooperative Development":—Maruzen Oil, Hitachi Shipbuilding and 10 other Sanwa Bank-affiliated enterprises have decided to cooperate with one another to create a truly integrated heavy and petrochemical industry center in the reclaimed land bordering the Port of Sakai. The enterprises which have agreed to the joint development program are Maruzen Petrochemical, Ube Industries, Osaka Soda, Otsu Rubber, Shin Nippon Chisso Hiryo, Sekisui Chemical, Teijin Chemical, Toyo Rubber, Nichimen Jitsugyo, Nippon Express and Hitachi Shipbuilding. Major objectives for the program are: 1) to send cheap petroleum to Kansai Electric Power to guarantee abundant and inexpensive energy supplies and to channel the wasted gas available in naphtha cracking; 2) to make the place a virtual center for all kinds of petrochemical products with each chemical firm carrying out its assigned duties; 3) to establish giant shipyards and machinery plants; 4) to establish a joint firm to take care of repairing and transportation business of utilities facilities such as steam systems and water supply systems.

Glimpses of Japanese Culture

Modern Murals in Japan

By Yuichiro Kojiro

These days, one often sees murals and sculptural objects incorporated into modern buildings and structures. This is a rather new occurrence rare several years ago. Until quite recently, architects seem to have been averse to having items not of their own design incorporated into their buildings and structures. Likewise, artists and sculptors have been engrossed in producing pictures and sculptures for exhibition purposes only and have not been particularly interested in studying the roles that these artistic objects could play in relation to the life of man.

The intimate relationship between architecture on the one hand and sculpturing on the other—the relations that flourished in earlier period of history (ancient times, medieval times and the Renaissance days) have been almost completely lost in modern times. Each of these fields has followed its own way without regard to companion arts. Recently however, signs of a “re-marriage” of these three fields of plastic art have been seen everywhere. What then is the driving force that lies behind this revival of artistic union?

Since the Industrial Revolution, architecture has grown to be extremely “materialistic” and “rational.” Taking advantage of science and mechanics, architects tried to create their buildings out of such newly established materials as iron-steel, cement and glass—and to work on a large-scale. Breaking off with the handicraft and similar lines of art, architects pursued an extremely materialistic and mechanical world of architecture. Pictures and sculpture, on the other hand, continued to be, intrinsically, creations of human hands. Artists, therefore, became completely opposed to the uniformity and standardization which resulted from mechanical mass production systems in the new age. Artists and sculptors set their minds not passively but positively upon the pursuit of the deepest corners of the human heart and spirit, which are inevitably organic and irrational in contrast with the rapidly overshadowing materialistic civilization and tried to express their findings either in pictures or sculptures.

It was at this stage that the world was plunged into the Second World War and found, to its horror, that the materialistic civilization, which once gripped our hearts with emotion, was only a one-sided monster and far from our true ideal of the harmony of humanity with the world, which is the true objective of art. Architects as well as artists thus realized that the state of “separation” of matter and spirit, technology and art, is deplorable and a movement arose for the re-establishment of the harmony between the two camps and development of a joint-community in all fields of art.

This movement was instrumental in stirring a new awareness of the spiritual side of architecture and a deep soul-searching among the architects about their single-minded devotion to rationalism and functionalism. At the same time, this movement drove home the social value of art and played a

cardinal role in bringing art out into the open from among its esoteric devotees. Artistic creations as everlasting symbols of human communication and achievement, began to be demanded. Because of these post-war developments, architecture, which is primarily materialistic and geometric, and modern art, which is primarily spiritual and organic, have begun to “understand” and supplement each other's deficiencies but without relinquishing their own prerogatives.

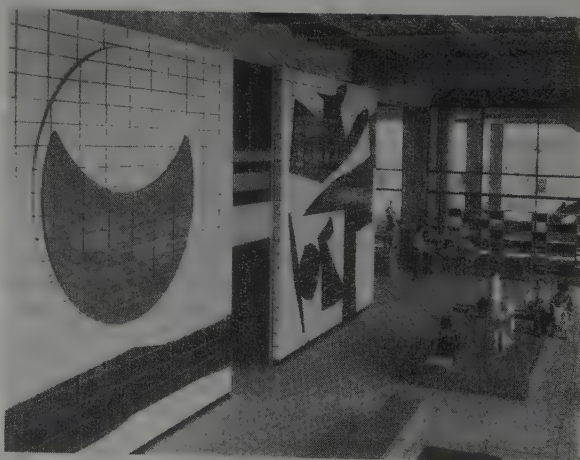
This tendency is more or less universal and signs of it are observable in Japan as well as in Europe, the United States and Latin American countries. It is only natural that there should be considerable difference from country to country, but the main current underlying all of these tendencies is the same. One of the signs of the popularity of this trend is the fact that the International Association of Plastic Art is scheduled to adopt (at its 3rd meeting to be held in Vienna from late September through October, 1960) an agreement “concerning the synthesis of plastic art in order to accelerate the cooperation between painters and sculptors and architects. The original draft of this agreement was prepared by the International Association of Plastic Art and International Union of Architects. Japan is planning to send four artists to this meeting.

The first thing that Japanese architects dreamed of after the end of the Pacific War was to foster the hard-won democracy through the designs of architecture. They wanted to create something like community centers, in cities and towns where the people could freely gather and express themselves. And it was in the reconstruction of city and town offices, which had been reduced to ashes during the war, that this idea became most prevalent. The worst kind of bureaucracy had permeated even to government offices, which had become generally cold and indifferent-looking giving an impression of rejection to the general public. In the reconstruction of these offices, architects took a drastically different view from that which had prevailed in the pre-war period. Their idea was that government offices should be the nucleus of the cities in which they are built and construction was carried out along this line of thinking. Thus, the new government offices and town halls came to have wide spaces reserved for gardens and public halls.

In the case of Tokyo Metropolitan Government building, most of the first floor and mezzanine are open for the general public as a glass-enclosed public hall. It is along the walls



Tokyo Metropolitan Government Office
Architect: Kenzo Tange
Murals: Taro Okamoto



Kagawa Prefectural Government Office
Architect: Kenzo Tange
Murals: Genichiro Inokuma



Side of the roof room of Otaki Town Hall,
Chiba Pref.

Architecture & Murals by Kenji Imai

one of the works by Okamoto and is entitled "Mural of the Sun." This is the largest picture of them all and extends, as can be seen in the accompanying picture, from the floor of the first floor to the ceiling of the mezzanine. The work is a grouping of ceramic plates and has a strong color effect. There are other charming titles to works such as "the Mural of the Moon," etc. It is likely that the people who wait for others here say, "I'll wait for you in front of the Mural of the Moon." Thus, these murals are proving to be a veritable oasis in the desert of ferro-concrete and glass.

These pictures in ceramic plates, however, are not mere ornaments for the pleasure of the eye. They have an important function as part of the architecture. As the Tokyo Metropolitan Government Office is encased in glass, it has to have an earthquake-resistant wall in the center of the building for support. For the purpose of both decorating and highlighting this earthquake-resistant wall, the architect and artist hit upon the use of ceramic plates as material for the pictures.

One of the most interesting facts about this building is that the murals are only on the first floor and the mezzanine and nowhere else in the seven floors that soar upon the mezzanine. The resulting effect is that the eight-storied building has come to have a strong focal point with its beauty greatly enhanced. In Japan, there has long been a tradition of having only the train part of a lady's kimono decorated. The idea is to make that part a focal point of the whole design. The same effect is discernible in the government office—especially at night when strong light is flooded upon the pictures.

Kenzo Tange makes clever use of murals in another of his works—the Kagawa Prefectural Government office at Takamatsu, Shikoku. Often called the best work of Tange's, this office is built on a square plan, in the center of which staircases and elevators are grouped together. The walls that surround this central part are designed as supports in case of earthquake. In this building also, the first floor is designed as a public hall and an exhibition room open for public use. On the outside of this earthquake-resistant wall on the first floor is a picture in ceramic plates. This mural is the work of Genichiro Inokuma, who is now active in New York.

In creating this mural, Inokuma planned to give an expression to the idea of the tea ceremony inherent in the culture of the Japanese people so he entitled his work "Wakei Seijaku (Peace, respect, purity and silence)". Inokuma's idea was that these four attitudes of the soul are prerequisites for true communication among people. In this case, the ceramic plates are uniform in size, while in the case of the Metropolitan Government Office, the sizes of the plates are varied and not uniform.

As Japan has a long tradition of ceramic art, it is only natural that the artists should use the idea of creating murals with ceramic plates. Murals in public places are inevitably touched by hands and often covered with dust. So the material for the murals in these places should have a great deal of durability. In this respect, frescoes and oil paintings are out. Ceramic plates, on the other hand, are not easily broken or faded and can be washed with water, if necessary. They are ideal, therefore, for use in public places.

However, the cost is rather high, although not exactly pro-

of this public hall that more than ten pictures in ceramic plates by Taro Okamoto are "in-laid." These pictures are so arranged that they seem to sing out to the people who flock to the place. The picture reproduced here is

hibitive, when the original pictures are specially baked upon the ceramic plates by famous artists. This is not the sort of thing that can be done by anyone anywhere. A sort of mosaic mural, therefore, has begun to be created at certain places in place of the "picture-murals" described above.

Photo in the left column shows the town office of Otakimachi, in the central part of the Boso Peninsula. This is a town of grass-thatched houses and white-walled storehouses inhabited by simple village folk. In building a new town office for this small town, Architect Kenji Imai wanted his work to have a spiritual link with the townspeople. Probably the town was unable to afford to bake new ceramic plates or to ask a famous artist to paint an original picture. So Mr. Imai thought of using waste article for his purposes.

In Japanese villages, people use *hibachi* (braziers) for keeping warm; jars and pots for keeping salt and water; vases for flowers and a variety of bowls for eating. These articles are all ceramic and have beautiful designs and coloration. Therefore even when they become cracked or useless these things are not freely cast away because of the attachment people have for them. So many waste articles are usually stored in corners of barns or piled in storehouses.

Mr. Imai hit upon the idea of taking advantage of these articles. Wasn't it possible for the town to ask its people to contribute these waste articles for the construction of murals for their own town hall? If it was possible, there was no need to bake new ceramic plates. On top of this, there was the added advantage that the people might feel special attachment to their town hall because something of it was definitely their own contribution. If realized, this method could be the proverbial stone that killed two birds, thought Mr. Imai.

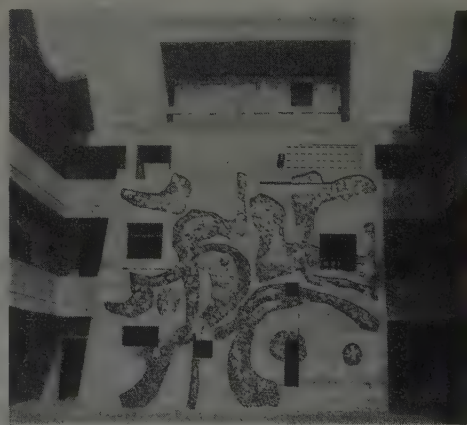
Thus, Mr. Imai not only created the town hall itself but also formed mosaic murals with his own hands. The picture shows one of the murals Mr. Imai created on the side walls of the roof room on top of the town hall. There are other murals on the other side of this room and on top of its roof. The roof-top picture represents two flying cranes. This is a tribute to the nearby remains of Maizuru Castle (Castle of the Flying Cranes).

Another example of the murals which utilize waste ceramic articles has recently appeared at the foot of Mt. Fuji. It is in the resting place completed on the premises of Daiseikiji

Temple under the design of Architect Hideo Yokoyama. On the ferro-concrete wall of the center of the building, there is a mural of broken ceramic articles.

Daiseikiji Temple used to be a famous Buddhist place of worship at the foot of Mt. Fuji in a thick forest of old cedar trees. At present, however, it is the mecca of

a new religion called Soka Gakkai. On every Saturday, nearly 10,000 devotees come to this temple from all over the country to worship. The newly constructed building is a resting place for these people. When you glance at the accompanying picture, you may think that the mural represents not a picture but a Chinese character. Noboru Tanaka, who created this mural, may have received suggestions from calligraphy. But the picture itself is nothing but an abstract form developed in the imagination of Mr. Tanaka. As the majority of ceramic articles used here are dominated by thick brown and blue, the overall effect is a very poignant one—well suited to the aggressive nature of the religion. The ceramic articles used for the mural have probably been collected from the devotees. (The writer is assistant professor of architecture at Meiji University, Tokyo)



Rest Place of Daiseikiji Temple

Architect: Hideo Yokokawa

Murals: Noboru Tanaka

Industry

Construction

Construction in the Boom

CONSTRUCTORS have been enjoying a big boom. Until a few years ago, leading construction companies were receiving the daily average of new orders amounting to ¥100 million each. This was already a big business, and the amount has leaped to ¥200 million each in recent months. Shimizu Construction Co., Ltd., one of the leading constructors in Japan, for instance, received new orders totalling ¥29,400 million in value during the seven-month period from September, 1959 through March, this year, and the inflow of new orders since April has reached the daily average of ¥200 million. Business has been equally flourishing for other leaders like Taisei, Kashima and Obayashi.

In the half-year term ended March, 1958, Shimizu Construction registered new orders totalling ¥17,500 million, or the daily average of just about ¥100 million, and the volume of orders has been doubled in only two years, an increase not caused by the soaring of commodity prices, but spurred by the actual growth of construction activity, as the commodity prices in the interim remained generally steady.

1. Weight of Construction Investments

(In ¥100 million)

Fiscal Year	Gross National Product		Construction Investments		B/A (%)
	Value (A)	Increase* (%)	Value (B)	Increase* (%)	
1956	92,498	—	10,758	—	11.5
1957	100,251	8.4	11,831	11.0	11.8
1958	102,917	2.7	13,272	12.2	12.9
1959	118,280	14.9	17,127	29.0	14.5
1960**	127,480	7.8	20,092	17.3	15.8

* Increase over previous year: ** estimate.

Source: Construction Ministry for all tables.

The construction boom in Japan is bound to continue unabated for some time to come. Public works operations are expanding with the five-year highway improvement plan at the helm. Electric power development projects are in full swing and the residential housing-starts will continue at an energetic pace while large spending is certain for plant-equipment investments by key industries. Big office buildings are under construction or about to be started in major cities. To make constructors busier, more hotels are being built and more roads are being repaved in preparation for the next Olympic Games scheduled to be held in Tokyo and its neighboring areas four years later.

Construction Investments Up 29% in Fiscal 1959

According to the Construction "White Paper" published by the Construction Ministry some time ago, investments in construction in fiscal 1959 totalled ¥1,712,700 million, increasing by 29.0% over fiscal 1958 and the largest annual gain registered after the war's termination, considering that the increase recorded in the booming 1956 (the year known for the "greatest boom" in history) was

restricted to only 17.0% over 1955. With the total spending of ¥2,000,000 million estimatedly earmarked for construction investments in fiscal 1960 (up 17.3% over fiscal 1959), the increasing rate almost equals to that in the boom year of 1956, although it stands somewhat below the 1959 mark.

The ratio of construction investments to gross national product in fiscal 1960 reaches 15.8% as compared with 11.5% in fiscal 1956, and 14.5% in fiscal 1959. Thus, the notable increase in the scale of construction contracts awarded to major construction companies in recent years is not attributable simply to temporary factors, but is firmly based on the concrete expansion of construction projects by governmental and public as well as private quarters.

Equipment Investments Offer a Big Spur

The latest construction boom is supported largely by investments in non-residential private construction operations, that is, plant-equipment investments by major industries. Equipment investments by industries, which are subject to the trend of business fluctuations, may not be constant in nature, but they are still a mainstay of the current construction boom. In fiscal 1959, investments in plants and equipments by industries totalled ¥435,300 million, recording a sharp gain of 63.0 percent over 1958 and offering the most important support to the construction boom in that year. In the plant-equipment investments in fiscal 1959, the star role was played by chemical and machinery industries, as pointed out in the latest "Economic White Paper" of the Economic Planning Agency which referred particularly to the rising weight of investments in heavy and chemical industries necessitated by the "intensification of the industrial structure, the closer

2. Construction Orders Received by Customers

(Fiscal 1959: In ¥100 million)

Private Orders:	Construction	Public Works	Others	Total	% in Total
Manufacturing:					
Textiles	92	4	1	98	1.9
Chemicals	284	41	13	338	6.6
Iron & Steel	167	57	23	247	4.8
Machinery	371	19	4	394	7.7
Other	195	14	2	211	4.1
Non-Manufacturing:					
Mining	20	37	3	60	1.2
Transportation	53	39	2	94	1.8
Electric Power	71	279	32	382	7.5
Commerce, Other	974	47	1	1,022	19.9
Subtotal	2,351	559	85	2,995	58.4
Governmental and Public Orders:					
National Railways & Other Transportation	43	195	9	247	4.8
T.T. Corp. & Postal Services	68	2	39	109	2.1
Electric Power Resources Development	4	132	3	139	2.7
Govt. Contracts	70	267	0	337	6.6
Local Public Bodies	126	322	1	449	8.7
Public Corporations	66	100	—	167	3.3
Subtotal	408	1,042	53	1,503	29.3
Total	2,774	1,612	138	4,525	88.2
Small Contracts	381	162	60	603	11.8
Grand Total	3,155	1,774	198	5,127	100.0

Notes: Commerce includes service professions, banking, insurance, real estate; National Railways & Others include public traffic services and Teito Rapid Transit.

ties between affiliated industries, and the diversification of processing formulas."

Machinery industry, above all, made the heaviest investments in plants and equipments because of the closer linkings among associated branches and the diversification of processing routines, thus contributing largely to the rising volume of contracts for construction companies, as shown in Table 2. It is noted that orders from chemical and machinery industries occupied a heavy weight in the contracts for 46 leading construction firms in fiscal 1959. Included in the category of non-residential private buildings were many hotels and at office buildings. As shown in Table 2, investments by non-manufacturing commercial sectors in 1959 are placed ¥102,200 million (or 20.0% of the total contracts), and those investments were mostly in office buildings or hotels.

For all that, residential housing starts have been the most stable factor in the business of construction, with the annual increase constantly standing at 10.0—15.0%, irrespective of business fluctuations (inclusive of residential houses built by the Japan Housing Corporation, local public bodies or private owners). As noted in Table 3, wooden structures predominate in residential houses built so far with those for purely residential purposes office-residential uses predominating.

Highway Construction in Swing

In the field of public works, public utilities projects have been markedly active with the increasing rate over the preceding year reaching 20.0% in fiscal 1957 through 1958 and 37.0% in fiscal 1959, as highway construction, typhoon-damage recovery projects at major rivers and port-harbor reconstruction have been undertaken in rapid succession. A gigantic five-year highway replenishment plan starting in fiscal 1958 at the total cost of ¥810,000 million is destined to head the list of principal public works enterprises in the coming few years. In addition to such public works operations, semi-permanent investment projects by electric power and railways also take a heavy weight in construction business. Investments in non-public construction operations like office buildings and residential houses have continued energetic, but no particular leap has been noted. Meanwhile, the construction of a new Tokaido trunk line by the National Railways, the equipment expansion project by the Nippon Telegraph & Telephone Public Corporation and the reconstruction of water-supply and sewerage systems by local public

bodies, all of which are due to start either in fiscal 1960 or 1961 will also serve to make constructors busy on a stable basis like residential housing starts regardless of the business fluctuation.

The total volume of investments in construction projects in fiscal 1960 is estimated at ¥2,009,200 million, increasing by 17.3% over fiscal 1959. On the list of such projects, a sharper gain is envisaged for construction projects by public utilities, especially telegraphic and telephone services which earmark ¥95,900 million for expansion projects, an increase of some 53.0% over fiscal 1959 at ¥62,700 million. Those new projects are undertaken under the provisions of the Telegraph and Telephone Equipments Expansion Law which has just gone into force. Coming next are construction operations by railways with the total spending of ¥86,700 million earmarked for fiscal 1960 or an increase of 22.5% over fiscal 1959's ¥70,800 million. Of such railway projects, a new Tokaido trunk line will be the star project, while subway line construction operations by private railways in Tokyo and Osaka will also demand large expenses. Equally active will be public works operations for highways, typhoon-damage recovery projects, and port-harbor dredging. With the expenditure of ¥128,700 million earmarked for highway construction and rebuilding program in fiscal 1960, Japanese highways are far from being perfect. Class A national highways are wide enough for automobile

3. Construction Starts

By category	1957	1958	1959	1958/57 (%)	1959/58 (%)	1959 in Total %
Wooden	32.5	30.7	33.6	94	109	66.2
Steel-framed	7.5	7.5	12.6	120	139	24.8
Steel-reinforced	2.6	2.3	4.4	89	189	8.6
Others	1.0	0.4	0.2	36	49	0.4
By Use						
Purely Residential	16.7	17.5	19.4	105	111	38.3
Residence-Office*	6.8	6.8	7.6	99	112	14.9
Agriculture & Forestry	1.8	1.6	1.6	89	97	3.1
Mining & Manufacturing	8.0	5.5	9.4	68	171	18.5
Commerce	2.4	2.2	3.3	95	148	6.5
Public Utilities	1.0	1.0	1.4	105	136	2.8
Service Professions	2.7	2.8	2.7	104	99	5.4
Public Services &						
Education	4.3	5.0	5.2	116	105	10.3
Others	0.1	0.1	0.1	114	182	0.2
Total	43.7	42.4	50.8	97	120	100.0

* Used for residence as well as office or shop.

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4. Business Results of Principal Construction Companies

Firms	Capital**	Settlement term	Contracts executed*	Profits**	Profit rate (%)	Dividend rate (%)	New orders received*	Term-end backlogs*	Ratios of Contracts (%)	
									Public Works	Construction
Group A										
Obayashi-Gumi	2,400	Sept., 1959	192	749	95.0	20.0	248	422	16	84
		March, 1960	223	951	100.0	20.0	277	476		
Taisei Kensetsu	2,400	Sept., 1959	186	751	107.0	24.0	264	383	34	76
		March, 1960	220	1,017	87.0	22.0	281	444		
Sato Kogyo	600	Dec., 1958	67	132	55.0	15.0	64	115	52	48
		Dec., 1959	88	332	140.0	15.0	125	152		
Kasuga Doboku	330	March, 1959	45	54	45.0	12.0	46	45	81	19
		March, 1960	47	122	74.0	15.0	60	59		
Nippon Hodo	500	June, 1959	21	188	100.0	20.0	23	39	100	0
		Dec., 1959	27	242	96.0	20.0	33	51		
Toa Kowan	300	Sept., 1958	24	262	262.0	10.0	26	37	100	0
		Sept., 1959	27	266	266.0	10.0	39	51		
Toa Doro	99	Sept., 1959	6	42	84.0	35.0	7	5	100	0
		March, 1960	8	64	129.0	35.0	5	2		
Takano Kensetsu	300	Nov., 1959	9	26	51.0	15.0	9	15	76	24
		May, 1960	10	41	37.0	15.0	12	7		
Bulldozer Koji	120	Sept., 1959	10	52	129.0	20.0	8	12	100	0
		March, 1960	11	65	148.0	20.0	8	25		
Nippon Kokudo Kaihatsu	400	Sept., 1959	8	69	69.0	14.0	10	15	100	0
		March, 1960	9	75	75.0	14.0	13	19		
Wakamatsu Chikko	160	Sept., 1959	15	152	253.0	25.0	18	8	100	0
		March, 1960	13	138	173.0	25.0	17	13		
Group B										
Shimizu Kensetsu	1,250	Sept., 1959	196	838	134.0	25.0	259	432	20	80
		March, 1960	241	943	151.0	30.0	294	495		
Kashima Kensetsu	1,500	Nov., 1959	203	653	109.0	20.0	288	722	33	67
		May, 1960	231	750	107.0	20.0	314	834		

Notes: * In million yen; ** in ¥100.

Group A . . . Constructors with their shares listed with the securities exchanges; Group B . . . with their shares not listed with securities exchanges.

traffic, but even those highways are sufficiently paved only to the extent of 40.0% and the conditions are worse with other smaller highways. Some 10.0% of prefectural highways are closed to automobile traffic, and more than 50.0% of town and village highways are closed to automobiles.

Projects under the five-year highway reconstruction plan will have been completed to the extent of 47.0% in fiscal 1958 through 1960 with the remaining 53.0% due to be undertaken in fiscal 1961 through 1962. With the total expenditure for the five-year plan set at ¥810,000 million, the average annual spending for fiscal 1961 and 1962 will stand at about ¥200,000 million each, or an increase of 50.0-60.0% over the expenditure in fiscal 1960. It thus appears that highway construction projects are bound to replace electric power resources development operations to emerge as a principal customer for construction firms for some time to come. Reclamation projects for seaside factory sites have come into the limelight in recent years as another lucrative business line for constructors. Spacious seaside areas are being reclaimed into factory sites in succession at Chinba, the Osaka Bay and the Ise Bay, and giant factories for iron and steel, petrochemicals and machinery will be built on those new sites within the coming few years to promise an additional flow of contracts for civil engineering contractors. Also ready to start in the current fiscal year are construction of water-supply and sewerage systems in key cities and towns and riparian improvement projects based on the erection of multilateral-purpose dams. With the budget for civil engineering projects for fiscal 1960 placed at ¥873,300 million, up 21.0% over fiscal 1959, the annual expenditure in this phase is expected to register an annual increase of 15.0% (at least 10.0%) in the coming five years or so.

Construction Also Soundly Up

The increasing pace of construction operations is bound to slow down somewhat in fiscal 1960 with the spending for the year set at ¥1,135,900 million, or a smaller gain of 14.6% over fiscal 1959 than the 1959 hike over 1958. Plant and equipment investments by key industries, however, will continue brisk. According to the revised schedule by the Industrial Rationalization Council, the total volume of investments in industrial plants and equipments in fiscal 1960 is estimated at ¥1,160,000 million, increasing by 26.0% over fiscal 1959, and the increase is set at a larger level of 37.0% by an estimate by the Federation of Economic Organizations. The progress of reclamation operations at seaside factory sites will enable the further decentralization of industrial plants to lend a further impetus to plant-equipment investments.

High Growth Strength of Construction Shares

With a construction boom bound to continue for some time to come, construction companies, key contractors as well as small firms inclusive, are receiving benefits. The spheres of business activities of construction firms are clearly defined, as larger companies are devoted to large-scale civil engineering projects for plant-equipment investments by key industrials or power resources development operations while medium-scale contractors are busy with public works projects by local public bodies or building schools. Smaller firms are engaged in constructing private residences. On the spur of expanding business, the number of constructors formally listed with the Government has been increasing at the annual rate of some 1,000 (totalling some 70,000 as of the end of March, 1959). Constructors, however, have come to find the situation does not allow of unconditional optimism, as new companies have been rising in succession with the support of leading capitalists,

Such new companies include, for instance, Kokusai Doro (International Highway) Co., Ltd. supported by Toyota Motor Sales, Fuji Iron & Steel and Onoda Cement, Komatsu-Fuso Construction created through the merger of Shin Nihon Doro and Fuso Doboku, New Japan Highway founded by Marubeni-Iida, and Shinbishi Kensetsu established by Mitsubishi Mining for the relief of colliery dismissed. Those new companies, all backed by leading financial interests or key industrial firms, are offering a new threat to other constructors, although major contractors or established firms specializing in particular lines may not be affected. Of the leading constructors with their shares listed with the Tokyo Securities Exchange (as shown in table 4), the future growth is promised for Obayashi-Gumi and Taisei Kensetsu of the "Big 5," Sato Kogyo and Tobishima Doboku which boast of established positions, Nippon Hodo which excels in highway construction with Japan Oil at its back, Toa Kowan and Wakamatsu Chikko which monopolize dredging operations within the country, and Bulldozer Koji.

As noted from the table, those leaders enjoy high profit rates. Carrying comparatively small capital, however, they have increased their capital at a quick tempo, at the rate of once each year or every two years. Obayashi-Gumi and Taisei Kensetsu increased capital in the second half of 1959, but another capital boost appears likely for them in the near future. Sato Kogyo and Tobishima Doboku enforced capital increases in May and June, respectively, this year, but will announce next capital boosts in the spring of 1961. Nippon Hodo will increase its capital in the autumn of 1961, and Wakamatsu Chikko is boosting its capital to ¥240 million now. Toa Kowan, which had its capital boosted in April, will find another inevitably soon.

5. Investments in Construction 1956-1960

(In ¥100 million)

	1956	1957	1958	1959	1960
Grand Total	10,658	11,831	13,272	17,127	20,092
Public	5,548	6,531	7,799	9,368	10,907
Private	5,110	5,300	5,483	7,759	9,185
Public Works	4,340	5,008	5,718	7,215	8,733
Highways	341	584	713	1,055	1,287
Railways	357	518	560	708	867
Telegraph & Telephone	406	489	513	627	959
Electric Power	926	991	1,062	1,087	1,318
Construction	6,318	6,823	7,564	9,912	11,359
Private Housing	2,957	3,337	3,643	4,298	4,751
Non-residential Private Construction	2,537	2,586	2,673	4,353	5,247
Non-residential Public Construction	824	900	1,248	1,261	1,361

Although excessively meagrely capitalized before, those construction firms would not have been able to carry out successive capital expansions but for the support of a construction boom. Shares of those companies have been bought at high levels solely on the strength of the bright future prospects (current share prices standing at ¥500 for Taisei Kensetsu, ¥440 for Obayashi-Gumi, and ¥570

for Nippon Hodo), but the current levels are not excessively high in view of the possible growth three or five years later. In making investments in construction shares, however, close attention should be paid to timing. The prices of construction stocks generally advance when specific stimulants are absent on the stock market or no particular shares are existent to lead bullish operations. To chase construction shares at such a time is not advisable. Meanwhile, most, of construction companies generally carry a strong color of individual proprietorship, and such a trend is usually the case not only with smaller firms but also with larger companies. Apparently in consequence, only 11 companies in the construction group are having their shares registered with the securities exchanges. Of the "Big 10" construction companies (by the amount of annual contracts), only two firms (Obayashi-Gumi and Taisei Kensetsu) alone are registered, while eight other leaders (Shimizu, Kashima, Takenaka, Hazama, Kubagai, Toda, Zenitaka and Nishimatsu) have not opened their stocks to public subscription yet.

With leading construction companies coming to demand bulky equipment funds for the purchases of modern construction machinery as the scales of their operations are fast expanded, they may come sooner or later to feel the need of opening their stocks to the public, and Shimizu Kensetsu and Nishimatsu Kensetsu may be the first to break the ice.

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Commodity Market

Cotton Yarn:—Cotton yarn quotations started August in a quiet tone with the Osaka price (current-month delivery) registering ¥165.00, lower than the July low at ¥170.90. The market, however, began to stiffen since the middle part of the month with the price rising to ¥173.80 on August 28. The strong tone continued into September with the quotation further hiking to the ¥180.00 mark. Major stimulants to the market strength were: 1) The fair sales of summer items; 2) The tightened restrictions over yarn production with "sealed" machines to the eventual standstill of the monthly output; 3) The recovery of woollen yarn which led the bearish tone of textile markets; 4) The dwindling volume of month-end inventories which declined by 11,200 bales from a month ago to 59,467 bales as of the end of July; and 5) The fair tone of cotton goods exports. Exports of cotton fabrics in the first seven months of calendar 1960 reached 596,272,000 square meters (including 93,332,000 square metres in July), up some 3.0% over the shipments in the corresponding period a year ago at 579,878,000 square metres. The exports of cotton yarns also rose to 18,550 tons, or about 2.9 fold the like exports of 6,471 tons.

Woollen Yarn:—August quotations of woollen yarn continued weak with the Nagoya price (No. 48 doubles; current month delivery) falling to ¥1,187 per kilogram. Purchasing operations in support of the market conducted in mid-August by the Woollen Goods Export Promotion Association (at ¥1,200 per kilogram), however, came just in time to save the quotations from further collapses. It appears the "support" purchases had a psychological effect of placing the market at rest under the impression that the association would come to buy at ¥1,200 whenever the market prices threaten to fall below that level. With the demand for woollen fabrics continuing favorable, the market has since been steady. The rising trend of Australian wool quotations has been giving an additional spur to the domestic wool market, side by side with a production cutback in operation since July. As of mid-September, the Nagoya quotation recovered to ¥1,275, although no further rise is apparently likely, as no positive stimulants are in immediate prospect.

Chemical Fibers:—August quotations of rayon filament yarn remained lethargic with the Osaka prices (current-month delivery) moving between the high at ¥173.9 and the low at ¥172.0 per 500 grams. Exports of rayon filament yarn since the start of the year were brisk with the seven-month (January-July) total reaching 10,116 tons, registering a sharp increase of 63% over the overseas sales in the corresponding period a year ago at 6,220 tons. On the other hand, the exports of rayon filament fabrics in the first seven months of calendar 1960 were restricted to 132,762,000 square metres, some 7% smaller than the like sales in the corresponding period a year ago at 143,409,000 square metres. Responding to the fair tone of other textiles, the yarn prices started rebounding since the middle part of September with the Osaka quotation rising to ¥177.0.

Spun rayon yarn grew stiffened from the middle part of August at a brisk tone with the Osaka quotation (current-month delivery) rising to ¥121.5 per lb. As of mid-September, it stood higher at ¥127.9. Responsible for the trend was the animation of export sales of spun rayon fabrics which brought the domestic price of spun rayon muslin up to well over ¥50 per yard in the middle part of August from the July low at ¥38-40. No further hike in prices, however, is likely, and it will result in dwindling demands.

Raw Silk:—The raw silk market continued strong into August with the Yokohama quotation rising to ¥3,680 (current-month delivery) per kilogram from the July high at ¥3,442, and further hiking to ¥3,680 at the start of September. With the supply still short of the demand, the present

strength of the silk market is certain to be retained for some time to come. The market, however, was somewhat highly fluctuant in September with the Yokohama quotation moving sharply to ¥3,926 on the 2nd, ¥3,900 on the 3rd, ¥3,766 on the 7th, ¥3,679 on the 10th and ¥3,827 on the 17th, apparently due to speculative operations.

Iron & Steel:—City quotations of steel products have grown steadily stiff since the lowering of the list prices by major companies participating in the collective open sales system at the close of July, as shown in Table.

Transitions of City Prices of Steel Products

At end of (1960)	Small bars (19mm)	Medium shapes (6mm×65mm)	Blacksheets (#16)	Plates (12mm)
January	38.0	38.3	55.8	47.8
February	37.4	39.3	55.1	49.3
March	37.4	39.3	54.8	47.0
April	37.0	39.5	55.0	46.8
May	36.5	38.8	54.8	46.3
June	33.4	36.3	53.5	44.0
July	33.8	36.8	52.3	44.5
August	34.8	37.8	55.8	45.8

Source: *The Oriental Economist*.

As noted, the market prices of steel products hit the bottom in June or July and then began to rebound in August. Although the advances have still been restricted, it appears that the steel market has been gradually recovering after the continuous falls since January. Responsible for the latest recovery are: 1) The start of new purchasing operations by major consumers after the lowering of the list prices; 2) The continuous increase in demand for steel products by key industries such as construction and machinery, and the pickup of export sales; 3) The brighter business outlook based on the positive economic policy being adopted by the new Ikeda Cabinet; and 4) The resultant activation of plant-equipment investments. Despite the weak market until early summer, however, the demand for steel products has remained at a high level with the monthly deliveries to key industries in the first five months, for instance, standing higher than the monthly average in the boom year of 1959, as shown in Table.

Production of Iron & Steel

1960	Blast Furnace (Pig Iron)	Crude Steel	Hot-rolled Ordinary Steel Products*
January	857	1,650	1,124
February	810	1,685	1,188
March	867	1,810	1,259
April	880	1,754	1,230
May	928	1,835	1,248
June	906	1,777	1,244
July	961	1,861	1,241
August	952	1,863	1,305

*not including rerolled steel products.

Source: Japan Iron & Steel Federation.

Export shipments of steel products also have continued brisk with the June shipments reaching 218,482 tons valued at \$37,856,960, according to the Japan Iron & Steel Federation to mark the year's high so far and the July shipments also remaining high at 199,910 tons valued at \$34,539,826. Among cardinal spurs to the briskness of steel exports are: 1) Steel producing countries in Europe have been kept too busy to take care of growing domestic demands as well as export sales; 2) The increasing imports of steel products and other capital goods by less developed countries in Asia parallel with the improvements of their international payments balances; 3) The growing sales to Australia to offset the waning shipments to Africa. Meanwhile, the total export shipments of steel products in the first half of calendar 1960 (January through June) amounted to 1,041,000 tons valued at \$181,528,000, increasing by 19.0% in quantity and 36.0% in value over the exports in the corresponding period in 1959 at 877,00 tons worth \$133,445,000. The bulkier increase in export value was due to the steadiness of export prices as well as the bulging sales of special steels, blacksheets, galvanized iron sheets and secondary products. On the list major destinations for the January-June export shipments, the United States, as usual, topped by taking 30.0% of the total sales with India ranking second at 10.0% and the Philippines, Australia and Formosa following at 7.0% each and Thailand marginally behind at 6.0%.

Company Notes

Paper-Making Machine Soviet-Bound (Mitsubishi Industrial Group)

Three top-ranking firms of the Mitsubishi Industrial group (Mitsubishi Heavy Industries Reorganized, Mitsubishi Nippon Heavy Industries and Mitsubishi Shipbuilding & Engineering) have decided to accept an order from the Soviet Union for four sets of paper making machines worth some ¥10 billion. The Soviet order has been placed for two sets of newsprint (288") making machines and two sets of toilet-paper (180") manufacturing machines. In addition, the order includes two sets of 266" paperboard making machines, a set of paper-cut making machines, a set of rough printing paper-making machines, and two sets of small-size tissue-paper making machines.

New Transistor Wall Clock (K. Hattori)

K. Hattori & Co., Ltd., one of major Japanese manufacturers of timepieces, has started marketing a new transistorized wall clock "Sonora" which strikes each hour, the first product of the kind ever sold in the world. The new transistorized clock is priced at ¥4,500 (wooden frame) and ¥4,600 (plastic frame).

Idemitsu for Petrochemicals (Idemitsu Kosan Co., Ltd.)

Idemitsu Kosan has decided to advance to petrochemicals on the occasion of the construction of the second refinery at Anegasaki, Chiba prefecture. In the initial stage, the oil company will confine its operation to the cracking of naphtha into ethylene and other gases and supply of cracked gases to consumers at prices equal to the international quotations through mass production. Through the treatment of some 600,000 tons of naphtha, the company will produce 100,000 tons of ethylene as well as propylene and butadiene gases, according to the present schedule.

Small Rotary Engine for Automobile (Toyo Kogyo)

Toyo Kogyo Co., Ltd. is getting ready to start the production of small rotary engines for automobiles on an industrial scale through a technical tieup with NSU (manufacturer of Volkswagen) in West Germany. It is also learned that Toyo Kogyo is planning to begin exporting "auto-parts sets" to knockdown factories in less-developed countries through business tieups with leading auto makers in Europe.

First Steel Sales to Czechoslovakia (Nippon Kokan & Kawasaki Steel)

Nippon Kokan K.K. and Kawasaki

Steel Corporation, two leading steel makers in Japan, have concluded contracts through Mitsui Bussan for the exports of 350 tons of cold-rolled steel sheets bound for Czechoslovakia, the first sales of steel products to Eastern Europe since the war's termination. The new contracts are regarded particularly significant, although the total quantity is small, as they were concluded on a purely commercial basis. Informed sources consider that steel exports to Eastern Europe will begin to swell with the new contracts as an ice breaker.

New Acrylonitrile Plant (Asahi Chemical Industry)

Asahi Chemical Industry Co., Ltd. has decided to erect a new acrylonitrile plant in Kawasaki near Tokyo at the total cost of ¥1,500 million on the basis of technical knowhow to be inducted from Prospect International Co. (U.S.), a subsidiary of Standard Oil of Ohio. The new plant, to be erected by the company for the purpose of supplying acrylonitrile as raw material for the company's specialty "Cashmilon," will start operation in about May, 1961 at the daily capacity of 15 tons. Of the total production, Asahi Chemical will supply 3 tons to Asahi-Dow Co.

60,000-Ton Aluminium Plant Planned (Showa Denko K.K.)

Showa Denko K.K. has announced that it will erect a new aluminium plant with the annual capacity of 60,000 tons in Chiba with the object of coping with the soaring demand for aluminium ingots. The new plant, upon completion scheduled at the close of 1963, will more than double the annual capacity of the company to 106,000 tons. Showa Denko at present has two plants at Kitakata (Fukushima prefecture) with the annual capacity of 35,000 tons and at Ohmachi (Nagano prefecture) with the annual capacity at 11,000 tons. It also operates a alumina plant at Yokohama at the annual capacity of 130,000 tons.

Paper Pulp Production by Alaparu (Alaska Pulp Co., Ltd.)

As a measure for the diversification of products, Alaska Pulp Co., Ltd. has decided to embark upon the manufacture of sulphite pulp (for paper). Alaska Pulp was established for the purpose of supplying the annual total of 108,000 tons of sulphite pulp to Japanese chemical fibre manufacturers. Starting operation in November, 1959, it is manufacturing pulp for chemical fibres at the annual capacity of 70,000 tons.

Nippon Express' New Expansion Plan (Nippon Express Co., Ltd.)

In order to prepare for the increasing volume of export and import cargoes and also for the new developments following the liberalization of foreign trade, Nippon

Express Co., Ltd. is taking positive steps for the strengthening of tieups with overseas counterparts and the establishment of branches in key foreign cities. The company at present has mutual agency contracts with 94 transportation companies in 45 countries. For further simplifying its international transit operations through the adoption of the "thorough transportation formula," however, the company last year concluded contracts on the basis of this formula with noted transportation firms abroad such as Railway Express Agency (U.S.) and Export Transportation (Thailand). Meanwhile, the company will soon enlarge its liaison office in New York (opened in 1959) into a branch office to supervise growing business in the United States.

Kawasaki Dockyard for Land Machines (Kawasaki Dockyard)

Kawasaki Dockyard Co., Ltd. has decided to increase the production of land machines for the further diversification of its business divisions. For that purpose, the company will erect a plant for steel structures in Kakogawa (Hyogo prefecture) and factory for industrial machines near its main plant under a two-year project. With the two new plants in operation, the company expects to increase the production of land machines to about ¥9,000 million semiannually (as compared with ¥4,000 million for the half-year term from November, 1959 through April, 1960), so that its proceeds may be equally split between ships and land machinery.

Indian Order for Broadcasting Machines (Nippon Electric Co., Ltd.)

An order for ¥1,100 million worth of broadcasting equipments has been contracted by Nippon Electric Co., Ltd. with Ballad Electronics Co. in India. The contract includes a set of medium-wave broadcasting machines and high-grade recording equipments for a broadcasting station. The contract was awarded to Nippon Electric Co., Ltd. through an international tender at which many leading manufacturers of electric machines participated including Marconi (Britain), BBC (Switzerland), and Gaits (U.S.). The Japanese company attaches special importance to this contract, as it involves technical cooperation for the coming five years, and it is expected that broadcasting equipments to be used by stations to be opened in India may be ordered mostly from Japan.

24,000 H.P. Turbine for Giant Tanker (Mitsubishi Shipbuilding & Engineering)

A giant turbine (24,000 H.P.), the largest ever made in Japan, was completed at the Nagasaki Dockyard of Mitsubishi Shipbuilding & Engineering Company. The newly-completed turbine (with boiler) will be attached to the Naess Sovereign, a 87,500 D/W tanker launched by the same dockyard on June 25, this year for the Anglo-American Shipping Co., Ltd., a subsidiary of Naess Shipping Co., Inc.

Investment Outlook

Mitsubishi Electric Manufacturing

Mitsubishi Electric Manufacturing, which has grown into a ¥1,920 million concern through a 50% capital expansion as of October 1, has been closely linked with Westinghouse Electric Corporation (U.S.) since the time of its inception. With Westinghouse Electric topping the list of Mitsubishi Electric's shareholders, the tieup has not been restricted only to the financial phases, as the two firms have been intimately connected in technical and management operations. With Tokyo Shibaura Electric and Hitachi, Ltd., Mitsubishi Electric Manufacturing is one of the "Big 3" all-embracing manufacturers of electric machines. It also vies with Ishikawajima-Shibaura Turbine and Hitachi, Ltd. in the production of large-type turbines. With the demand for electric machinery increasing at a fast tempo for electric power resources development projects as well as plant-equipment investments, the company is certain to continue selling and earning enough to retain its present 15% dividend per annum.

With the monthly average of orders received in the half-year term ended March, 1960 standing at ¥8,100 million, the monthly orders climbed to ¥10,100 million in June and ¥9,400 million in July. The total volume of new orders received in the current quarter (ending September) are estimated to have exceeded ¥50,000 million (as compared with the total of ¥43,700 million in the preceding half-year term), the backlog of outstanding orders as of the end of September also stood well over ¥50,000 million. It is estimated that the company's sales for the September term reached ¥47,000 million (as compared with ¥43,449 million for the March term) and the declared profit will also rise to ¥3,700 million (¥3,221 million). The sales for the next term (to end in March, 1961) will further grow to ¥55,000—60,000 million with the profit not less than ¥4,500 million, enough for the retention of a 15% dividend despite the impact of the 50% capital expansion as of October, this year. The company's management predicts that its annual sales five years later in 1965 will come to total ¥150,000 million. In preparation, the company is posi-

tively expanding equipments at major plants with equipment investments in fiscal 1960 estimated to reach ¥12,000 million. In

these circumstances, the company is expected to induct more American capital through the flotation of bonds and other arrangements. The future growth of the company deserves close attention.

Mitsubishi Shoji Kaisha, Ltd.

It appears that transactions handled by Mitsubishi Shoji for the half-year term ended September, 1960 reached ¥300,000 million, as originally planned, with the net profit well attaining the ¥1,400 million mark. Despite the impact of capital expansion, the profit rate for the term stood at 37 percent, well guaranteeing the retention of the 14% dividend. The outlook for the current term starting October appears rosier, as domestic dealings as well as export and import transactions are expected to fare better. With the backlog of outstanding transactions as of the end of September estimated at around ¥220,000 million, the sales for the current term (ending March, 1961,) will well exceed ¥330,000 million for the net profit of some ¥1,500 million with the profit rate well above 30%. The recent flow of orders has been encouragingly favorable, as increases have been particularly active for its exclusive specialties such as steel products and machinery. Positive support from Mitsubishi-affiliated companies is offering an additional spur to the company's business. As of the end of March, 1960, the company's investments in subsidiary firms

totalled some ¥6,000 million. For investors, Mitsubishi Shoji will be a good mark for stable yields, although the next capital expansion is not expected before 1963.

The world-wide trend for freer trade is bound to contribute greatly to the Company's business in the future. The next step in capital expansion, however, is not expected until 1963 at the earliest. Mitsubishi Shoji now has an internal reserve totalling ¥5,200 million, and the company's annual international reserve growth averages ¥1,500 million. It takes at least three years, therefore, for the Company's internal reserve to eclipse the ¥10,000 million mark. As it has been the Company's custom to carry out capital expansion in proportion to its internal reserves, the next capital expansion is expected in 1963.

However, with the nation's economic growth rate officially set at 9% by the new Government, the earning power of the Company hiked by the freer trade for capital expansion may be set ahead of the schedule. Therefore, the Company's strength on the market will remain firm at least for the moment.

Nippon Gaishi Kaisha, Ltd.

Nippon Gaishi Kaisha, Ltd., a sister firm of Nippon Toki Kaisha, Ltd. of "Noritake China" fame, specializes in the manufacture of porcelain insulators and acid-proof porcelain wares for chemical industries. In the field of high-voltage insulators, the company accounts for about 80.0% of the nation's total. In the production of porcelain insulators, it also enjoys a unique position on the world market, as its products are actively exported to India and other Asiatic markets, South America, North America, Australia, Europe and Africa. In addition to its main specialties like insulators and anti-acid porcelains for chemicals, the company also started in the spring of 1959 manufacturing berillium oxide, an essential material for atomic reactors, and is making good progress in the study

of metallic berillium.

The company drafted a 5-year production expansion plan in 1959, but the demand for insulators has increased at a tempo faster than the progress of the plan. The company at present has three factories—the main factory (in Nagoya), the Chita factory (in Aichi prefecture) and the Atsuta factory (in Nagoya). Those factories have been newly equipped under the expansion plan with the combined monthly capacity as of July increased by about ¥120,000,000 to ¥600,000,000. At present the expansion plan is under way for the bushing equipments at the Chita plant. For the further promotion of pushing exports, the company has stationed representatives in Europe. The business of the company has been fair

in recent years with the sales for the half-year term ended September, this year estimated at about ¥3,200 million for a profit (after tax) at around ¥270 million. It is expected that the company will double its capital to ¥2,000 million by the end of 1960.

Nippon Gaishi's Business Results

Half-Year Term ending	Sales	Profit*	Profit rate (%)	Dividend rate (%)
Sept., 1957 . . .	2,153	161	64	23
Mar., 1958 . . .	2,556	163	65	23
Sept., 1958 . . .	2,294	156	31	20
Mar., 1959 . . .	1,948	146	29	20
Sept., 1959 . . .	2,119	154	31	20
Mar., 1960 . . .	2,515	189	38	20

* after tax.

Noda Shoyu

Noda Shoyu (capitalized at ¥400 million with 3,830 employees on its payroll) is the largest manufacturer of shoyu (Japanese soy sauce). With the head office and the main factory in Noda City (Chiba prefecture), Noda Shoyu has another factory in Takasago (Hyogo prefecture) in Western Japan. Known for the "Kikkoman" brand soy sauce, Noda Shoyu sold 173,002 kilolitres in 1959, or 17.0% of the total shoyu consumption in Japan in that year, far surpassing the second-ranking Yamasa Shoyu whose sales accounted for 4.0% and incomparably ahead of third- and fourth-ranking manufacturers whose shares stood below 2.0% each. Japan's production of soy sauce in 1959 totalled 1,035,000 kilolitres, or some 10.0% larger than the pre-war peak of 939,420 kilolitres in 1938. With the Japanese population increasing by 32.0% in the corresponding period, however, it is noted that the annual consumption of soy sauce per capita has declined from 13 litres to 11 litres in the interim. Hence, the annual production increase in recent years has been rather slow, the 1959 output of 1,035,000 kilolitres being only 3.0% larger than the output in 1956 at 1,006,000 kilolitres. This trend is largely attributable to the steady westernization of the Japanese dietetic mode. In contrast to the standstill of the soy sauce output, the production of Worcester sauce, tomato ketchup and mayonaise has been hiking at a quick tempo. Although the con-

sumption of soy sauce has thus been marking time, the sales by Noda Shoyu have been on a steady increase at the average annual rate of 6.0%, and the production in the national total has also risen to 19.0% in 1959 from 16.0% in 1958 and less than 14.0% in 1954. In addition to soy sauce, Noda Shoyu has also been manufacturing Western-style sauces and alcoholic drinks, although soy

sauce still accounts for 90.0% of the total sales with sauces only for 3.0% and alcoholic drinks for 7.0%. The proceeds of the company are expected to increase fairly in the next term, as the list prices of soy sauces were raised by about 8.0% in August, 1960. Meanwhile, the company has been exporting about 1.5-2.0% of its annual production, or about 90.0% of the national total of soy sauce exports, to the United States, Okinawa and Hongkong.

Noda's Business Transitions

(In million yen)

One-year term ending December of	Sales	Profit	Profit rate (%)	Dividend rate (%)
1954	9,131	492	123	30
1955	10,968	608	102	30
1956	11,945	723	90	25
1957	13,402	698	87	23
1958	14,149	738	73	22
1959	14,505	785	65	21

Source: *The Oriental Economist*.

Oji Paper Company, Ltd.

Oji Paper Company, Ltd. boasts of the oldest history in the field. Now capitalized at ¥5,000 million, the company was founded with a capital of ¥1,500,000 in February, 1872. It grew side by side with the expansion of the domestic demand for paper, and was one of the largest paper makers in the world with 34 mills under its control at the time of the outbreak of the Pacific War. Under the Law for Economic Decentralization after the war, however, the company was divided into three second companies, and the (new) Oji Paper Company made a fresh start in August, 1949 with a single mill at Tomakomai, Hokkaido. Making its new start under a great handicap, the company has endeavored to retain its leadership in Japan's paper world, particularly in the production and sales of newsprint and high-grade printing paper. Meanwhile, the company is now engaged in a series of new rationalization projects in preparation for the imminent liberalization of import trade. As the first step, the company has installed a new giant newsprint manufacturing machine (5280 mm or 208") at its Tomakomai mill. This new machine (No. 11 of the kind for the company) upon the start of operation scheduled on September 10 will boost the annual production of newsprint of the company by 70,000 tons. A new equipment for CGP (monthly production, 200 tons) will be

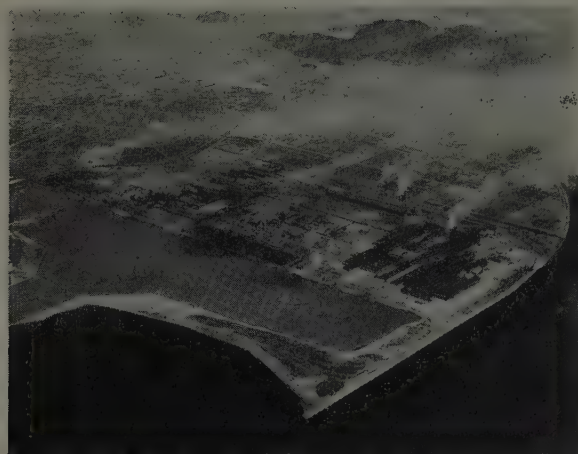
ready for operation by the end of calendar 1960. The company also plans to erect a new mill for newsprint in addition to the existing facilities at the Tomakomai and Kasuga mills. The company is equally positive in increasing the production of kraft paper with the construction of a new kraft paper plant started at the Kasugai mill. The new plant, to be equipped with two paper making machines (each 5,000 mm class) for the annual production of 100,000 tons, will cost ¥8,000 million. Upon the completion of all new equipments now under construction, the annual production capacity of the company will be boosted to 687,000 tons (including 495,000 tons of newsprint, 100,000 tons of kraft paper, 70,000 tons of high-grade printing paper, and 22,000 tons of medium-grade printing paper), or about double the existing capacity. The company also has a unique "trump card" in the possession of a vast forest with the total reserve estimated at 34,000,000 koku (9,460,000 cubic metres). Although the paper market has been comparatively dull in recent months, the company expects the sales for the half-year term ended September to increase by nearly 20.0% over the preceding term, although the earnings may decline somewhat to force a 2% or 3% cut in the present 18% dividend per annum. With the paper market apparently set for recovery, however, the future outlook of Oji Paper is bright.

Noda's Position in Japan's Soy Sauce Production

(In kilolitres)

	Nation's Total*	Noda Shoyu**
Prewar peak (1938) . . .	939,420	—
1954	934,020	127,283
1955	973,800	138,326
1956	1,006,560	142,190
1957	996,677	155,221
1958	1,003,187	160,367
1959	1,039,350	173,002

Sources: * Ministry of Agriculture & Forestry;
** Report on Valuable Securities.

Company of the Month**FUJI IRON & STEEL CO., LTD.**

Bird's Eye View of Hirohata Works

FUJI Iron & Steel Co., Ltd., is one of the selected leaders of Japanese big enterprises, its name appearing on the list of 100 big corporations of the world (except the United States) compiled by the American journal "Fortune". The reputation of the Company has already been internationally established. It was granted a \$10,-300,000 loan from the Export-Import Bank of Washington in November, 1957, and also obtained a \$24,000,000 loan from the World Bank in November, 1959. Japan's iron and steel industry has been virtually ruled by the "Big 6" steel companies, and the Company ranks second on the list of the "Big 6", coming next only to Yawata Iron & Steel Co., Ltd.

As shown in Table 1, the company occupies a heavy

Table 1. Position of Fuji Iron & Steel Co., Ltd., in Japan's Iron & Steel Production in fiscal year 1959

Production	(In 1,000 metric tons)	Fuji Iron & Steel	National Total	Fuji's Shares (%)
Blast furnace pig iron	2,821	9,467	30	
Crude steel	3,005	18,247	17	
Hot-rolled ordinary steel products	2,249	12,815	18	

position in the iron and steel production of the nation, accounting for 30% in blast furnace pig iron, 17% in crude steel, and 18% in hot-rolled ordinary steel products. Of steel products, Fuji Iron & Steel Co., Ltd. is particularly noted for rails, large shapes and flat rolled products. In addition to primary steel products, the company also manufactures a wide variety of secondary products like galvanized iron sheets and tinplates.

The expansion of Japan's iron and steel production has been spectacular since the war's termination, and Fuji Iron & Steel Co. has kept pace with its crude steel output, which stood at 867,000 tons in fiscal year 1950, increasing 3.5 fold to 3,005,000 tons 10 years later in fiscal year 1959. In the interim, the company's pig iron output swelled 3.1 fold and that of steel products hiked 3.6 fold, as shown in Table 2.

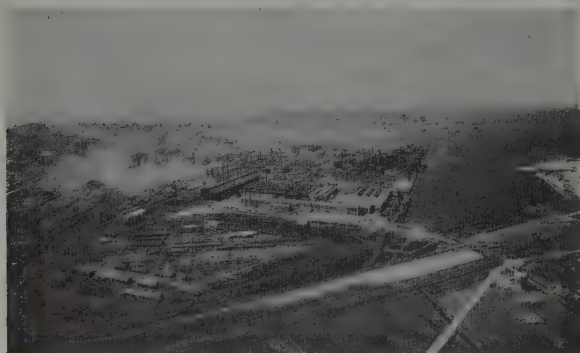


Bird's Eye View of Kamaishi Works

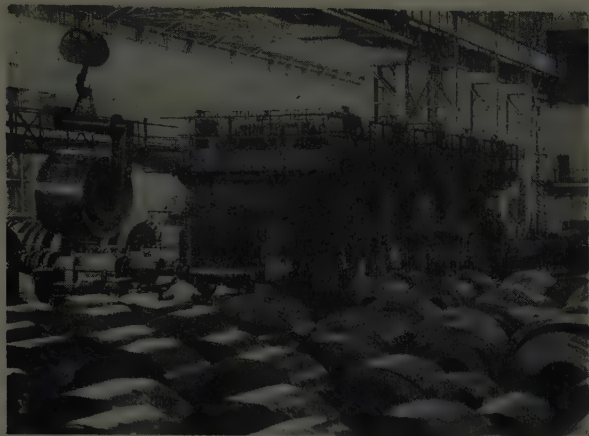
Table 2. Increases of Fuji's Production
(In 1,000 metric tons)

Fiscal Year	Pig Iron	Crude Steel	Finished & Semi-finished products
1950	900	867	681
1951	1,361	1,318	1,027
1952	1,381	1,348	1,038
1953	1,703	1,472	1,151
1954	1,505	1,562	1,226
1955	1,785	1,884	1,532
1956	1,997	2,110	1,670
1957	2,051	2,122	1,664
1958	2,129	2,306	1,691
1959	2,821	3,005	2,432

The Company at present has three integrated steel works at Muroran (Hokkaido), Kamaishi (Iwate Prefecture), and Hirohata (Hyogo Prefecture), and a rolling mill at Kawasaki (Kanagawa Prefecture). The production of crude steel by the three works in fiscal year 1959 stood respectively at 990,000 tons at Muroran, 689,000 tons at



Bird's Eye View of Muroran Works



Cold Strip Mill, Hirohata Works

Kamaishi and 1,326,000 tons at Hirohata. With a number of subsidiary companies under its aegis, Fuji Iron & Steel Co. itself is a big konzern. Among better-known firms of its subsidiaries are special steel makers like Daido Steel Co. (capitalized at ¥3,150 million) and Kanto Steel Mfg. Co. (capitalized at ¥250 million), Daido Steel Sheet Mfg. Co. (capitalized at ¥1,500 million) known for black-sheets and galvanized iron sheets, Yamato Steel Works, Ltd. (capitalized at ¥700 million) specializing in steel plates bars, and Fuji Sanki Kokan (capitalized at ¥500 million) which ranks third in the country in the production of steel pipes. The company also controls Nippon Electro-Metallurgical Co. (capitalized at ¥660 million) noted for ferro-alloys, and Toho Denka Co. (capitalized at ¥450 million) also specializing in ferro-alloys. In the non-steel field, Fuji Cement Co. and Seitetsu Chemical Co. (founded through a Fuji Sumitomo tie-up) are also affiliated to Fuji Iron & Steel Co.

In preparation for the big leap in the demand for steel products in this country, Fuji Iron & Steel Co., like other major steel manufacturers, is positively expanding its equipment capacity under a long-term project. Such expansion schedules are being pushed through the expansion of existing equipments as well as through the establish-

ment of new companies. Belonging to the latter group of the projects is Tokai Iron & Steel Co., Ltd. established two years ago with the capital of ¥2,500 million through a financial tie-up between Fuji Iron & Steel Co. and businessmen in the Nagoya area. Tokai Iron & Steel Co. is now erecting a set of iron and steel making equipment, including a giant blast furnace, on a reclaimed ground to the south of the Port of Nagoya. In the first equipment expansion plan (fiscal year 1951 through 1955), Fuji invested ¥25,300 million, and the sum of ¥75,700 million (including ¥500 million for Tokai Iron & Steel Co.) was spent for the expansion and modernization of equipments in the second project which was conducted in fiscal year 1956 through 1959. Under the newest expansion project covering the period of fiscal year 1960 through 1970, the company has earmarked the total sum of ¥288,200 million (¥170,600 million for Fuji's own plants and ¥117,600 million for Tokai Iron & Steel Co.) Included in the new equipment to be erected under the new

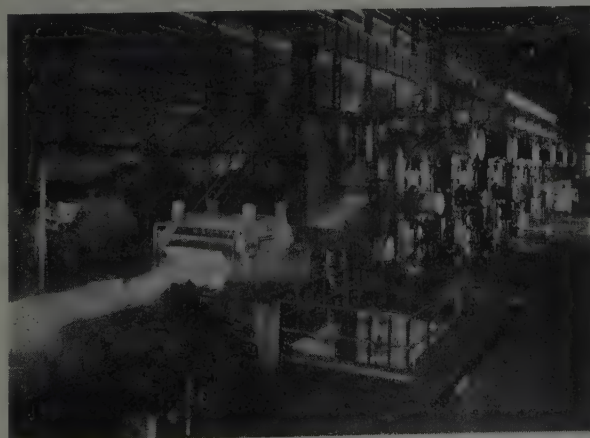


Larger Section Mill, Kamaishi Works

program are two sets of furnaces (both 2,000 tons in capacity) at the Muroran Works and another two sets of blast furnaces (capacity of 1,500 tons and 2,000 tons) at the Hirohata Works. Expansions will also be made in pig iron, steel-making and rolling facilities. As regards Tokai Iron & Steel, three sets of blast furnaces (capacity ranging between 2,000 tons and 2,500 tons) will be erected.

In fiscal year 1971 when this ambitious project is expected to be completed, the annual production capacity of Fuji Iron & Steel Co. including that of Tokai Iron & Steel Co. will be boosted to 7,300,000 tons of pig iron, 7,530,000 tons of crude steel, and 5,500,000 tons of steel products. At present Fuji Iron & Steel is capitalized at ¥33,000 million. For the half-year term ended March, 1960, the company sold ¥70,200 million for a profit of ¥4,352 million and gave a 12% dividend per annum. The company is expected to declare another capital increase in order to finance the future expansion.

The Catalogue number of the Fuji Iron & Steel is 114.



Hot Strip Mill, Muroran Works

Book Review

Nihon no Zaisei (*Japan's Finance*) (*In Japanese*) Compiled by Fusao Horigome. Published by Toyo Keizai Shinpo-Sha. Pp. 371. Price: ¥300.

With the progress of a nation's economy, the effects of central and local governments' finance upon the economy in general become more and more heavy and widespread. The financial structures, however, vary widely from country to country. The present volume is one of the few introductions to the Japanese financial structure and its effect upon the country's economy in general. The editor of this book is considerate enough to accompany the explanatory part of the book with a brief but to-the-point review of the historical development of Japan's financial structure in relation to the economic and social milieu of the times ever since Japan reorganized itself into a capitalistic country at the turn of the century. The whole volume is quite easy to follow with a lot of explanatory graphs and statistics. (K.N.)

Japanese Fine Arts. By Tokuzo Sagara. Published by Japan Travel Bureau. Pp. 311. Price: ¥600 (\$3.25 outside Japan).

This is fifth edition of a very worthy attempt to interpret Japanese arts in all their variety and grandeur mainly for the consumption of foreign readers. One of the greatest merits of this book is the attitude of the writer, who takes nothing for granted and takes trouble in explaining all the things, which, to a Japanese reader, seem superfluous to the point of boredom. One of the gravest troubles with the English-language books prepared by the Japanese authors is to take a lot of things for granted to the complete discomfiture of foreign readers. The current book cleverly avoids this grave but oft-repeated *faux-de-pas* and easily ranks as one of the most exhaustive but compact volumes on the many-splendored thing which is Japanese arts. More than 100 pictures (both color and monochrome) alone will make intelligent readers well enough acquainted with the seemingly desultory subject. (A.T.)

Kimono—Japanese Dress. By Kenichi Kawakatsu. Pp. 135. Price: ¥500 (\$3.00 outside Japan).

This is another reprint of JTB's galaxy of books on things Japanese. Kimono is undoubtedly one of the most widely known and accepted items of Japanese origin in the international exchange of culture. Everybody admires the beauty and charm of kimono. What then is the secret of this beauty and charm? The author, a noted authority on kimono, makes use of a unique "conversational style" in explaining what makes Japanese dress tick. A number of photos help in showing what is the right way to wear kimono and on what occasion—both of which are not always fully understood. There is no doubt that the current book will go a long way in opening a new vista in foreigners' idea of what kimono is. (A.T.)

Productivity and Technical Change. By W. E. G. Salter. Published by Cambridge University Press, 1960. Pp. 198. Price: 22s 6d. net.

Improvement of productivity has been one of the most important problems now facing the Government and private enterprises. The current book deals with this problem in relation to technical changes from both theoretical and practical points of view. The author finds out the per unit productivity figures from 1924 through 1950 (chiefly of British industries; and partially of American industries), and probes deep in the problems concerning productivity improvement. The author's prescription for a long-range productivity improvement is to discern "rising industries" and "declining industries" in the long-range sense of the word, and help facilitate the labor movement from the latter to the former. The book will prove to be an important contribution to both theoreticians and practical students of the problem. (K.U.)

Post-war Economic Trends in the United States. Edited by Ralph E. Freeman. Published by Harper & Brothers, 1960. Pp. 384. Price: \$6.00.

Ten contributors to this worthwhile volume are all staff members of the Center for International Studies at Massachusetts Institute of Technology.

Taking advantage of a great deal of important documents and statistics—most of them processed, these writers tackle post-war problems in a variety of economic fields—banking, finance, income, enterprise, labor relations and foreign trade. One of the most important features of this volume is that each writer is not confined to one aspect of American economy but takes a bird's eye view even when he is concerned primarily with only one specific aspect of economy.

Ten articles in the present volume are all readable in their own way from Prof. W. W. Rostow's "The Dynamics of American Society" through to Mr. C. P. Kindleberger's "International Trade and U. S. Experience." *Post-war Economic Trends* is a very handy and inexpensive guide to the post-war developments of American economy in all its important aspects. (K.U.)

The Stages of Economic Growth—A Non-Communist Manifesto. By W. W. Rostow. Published by Cambridge University Press, 1960. Pp. 178. Price: 21s net.

The present volume is based on a series of lectures delivered by the author—professor at Massachusetts Institute of Technology—at Cambridge University when he was on a sabbatical leave in the fall of 1958. However, this is not a dry-as-sand academic contribution. The merit of this book lies in its serious attempt at the analysis of the present movements for peace and its proposal for the achievement of the worldwide peace.

According to the author's interpretation, such industrial countries as the United States, England, Russia, Germany and Japan have already entered into the fifth stage of economic growth, where popularization of consumer durables is great and where living standards are high. In these countries, desire for welfare and peace is undeniable. Likewise, the so-called underdeveloped countries are now steadily following the path of economic growth adding so much stability to the world. Moreover, the development of nuclear weapons are making warfares more and more difficult to execute. The world therefore should be headed for peace—at least theoretically.

The only problem according to the author is how to make Russia see this point. For Russia is still guided by two wrong and obsolete mechanisms—the Marxist principles and the police state. The current book is out to prove a great stimulant to every intelligent reader. (K.U.)

Ownership and Control in the Malayan Economy By J. J. Puthucherry. Published by Donald Moors for Eastern Universities Press, Singapore. Pp. 187. Price: ¥630.

This is virtually the first full-scale treatment of the economy of Malaya that came to the reviewer's notice in a very long time. So far what one can usually get for the study of the economy of Malaya are fragmentary articles either in papers or in periodicals. In this sense the current book is a major contribution to the study of the economy of one of the most important countries in Southeast Asia. The author examines the nature of ownership and control in every aspect of the economy: subsistence activities, agency house, commerce, mining and secondary industries. A great deal of careful research has been undertaken in order that the readers may arrive at what is in fact the first informed evaluation of the parts played by lands, capital, distribution and labor, as well as by the different communities, and by foreign and local capital.

The author is particularly concerned with the effects of the present structure of ownership and control on the development of secondary industries and the economic growth of Malaya and Singapore. This is a question of special significance and importance at this time and Mr. Puthucherry's book will provide a great deal of mental food to chew for economists of the world and the general readers. (A.T.)

1. Economic Indicators (1)

Items	Gross National Product* (a)	Net Receipts & Payments of Treasury Accounts with the Public* (b)		Accounts of the Bank of Japan (End of Year or Month) (c)			Accounts of All Banks (End of Year or Month) (d)		Postal Savings & Postal Transfer Savings ** (e)	Clearings of Bills (All Japan) (f)		Average Interest Rates on Loans and Discounts of All Banks (g)
		Total	Foreign Ex. Ac- counts	Bank- Notes Issued	Loans & Dis- counts	Govern- ment Securities	Depos- its ¹⁾	Loans & Dis- counts		Bank Clearing	Dis- honored bills	
Units & Standards		¥100 million										per diem, Sen
1950	39,467	I 419	I 2,782	4,220	1,145	1,367	—	9,947	1,497	54,500	96,998	2.610
1951	54,442	I 346	I 389	5,063	2,230	1,260	—	15,178	1,894	70,512	147,684	2.600
1952	61,180	I 24	I 134	5,764	2,232	2,861	19,004	21,280	2,477	87,883	194,524	2.545
1953	70,848	I 951	I 1,298	6,298	2,987	3,143	23,628	26,712	3,332	108,728	250,061	2.488
1954	74,610	I 1,900	I 743	6,220	2,433	4,835	26,669	29,119	4,616	117,888	291,684	2.490
1955	82,033	I 2,766	I 1,699	6,738	319	5,536	31,760	31,958	5,443	128,592	330,084	2.460
1956	92,498	I 1,634	I 633	7,848	1,399	5,867	39,531	40,661	6,652	146,302	401,110	2.311
1957	100,251	I 2,597	I 1,134	8,371	5,519	3,872	45,325	50,244	7,654	161,191	511,712	2.304
1958	102,917	I 2,510	I 1,935	8,910	3,793	5,360	54,318	58,129	8,625	166,838	569,395	2.332
1959	..	I 1,334	I 1,513	10,294	3,379	6,448	64,614	68,028	..	183,445	571,905	2.224
Ag. Pre. Year (%) ('58)	¥ 2.7	I	I	¥ 6.4	I 31.3	¥ 38.4	¥ 19.8	¥ 15.7	¥ 12.7	¥ 3.5	¥ 11.3	¥ 1.3
Ag. Pre. Year (%) ('59)	..	I	I	¥ 15.5	I 10.9	¥ 20.3	¥ 19.0	¥ 17.0	..	¥ 10.0	¥ 0.4	¥ 4.6
1956 January	..	I 703	I 105	5,828	281	4,833	31,193	31,603	5,351	9,126	25,571	2.392
February	..	I 202	I 125	5,685	209	4,650	31,399	31,818	5,377	10,791	27,778	2.377
March	81,441	I 269	I 118	5,747	273	5,613	32,433	32,584	5,443	11,799	32,878	2.360
April	..	I 558	I 143	5,847	184	5,207	32,697	32,392	5,442	11,446	30,661	2.345
May	..	I 454	I 15	5,614	229	5,083	33,476	32,902	5,473	12,107	30,411	2.326
June	89,669	I 198	I 33	5,969	629	4,552	34,097	34,062	5,583	13,057	32,161	2.304
July	..	I 4	I 97	5,975	625	4,640	34,316	34,822	5,783	12,420	32,334	2.289
August	..	I 398	I 6	5,924	926	4,289	34,807	35,685	5,840	12,142	33,756	2.280
September	90,463	I 351	I 123	5,995	913	4,348	36,317	37,196	5,905	11,527	34,581	2.272
October	..	I 333	I 9	6,110	756	4,709	36,214	37,218	6,023	13,014	37,800	2.272
November	..	I 213	I 78	6,260	711	4,843	37,638	38,418	6,067	12,511	35,996	2.266
December	93,016	I 870	I 82	7,848	1,399	5,867	39,531	40,661	6,327	16,361	47,185	2.260
1957 January	..	I 1,409	I 228	6,764	1,660	4,516	39,200	40,835	6,543	11,108	34,607	2.257
February	..	I 957	I 224	6,586	2,415	3,439	39,020	41,575	6,580	11,967	36,200	2.256
March	97,129	I 246	I 309	6,662	2,763	5,100	40,622	43,012	6,652	12,755	43,017	2.252
April	..	I 205	I 314	6,837	2,726	3,610	40,626	43,277	6,651	13,169	42,351	2.254
May	..	I 936	I 476	6,990	3,243	2,998	41,188	43,904	6,684	13,767	41,296	2.269
June	104,097	I 1,046	I 435	6,771	4,754	2,180	40,754	44,695	6,803	13,655	39,142	2.291
July	..	I 171	I 305	6,635	4,838	2,432	40,555	45,055	6,995	14,214	42,832	2.311
August	..	I 467	I 219	6,503	5,212	2,332	40,974	45,745	7,026	13,242	41,809	2.332
September	99,744	I 374	I 92	6,535	5,629	2,047	41,999	47,209	7,108	12,788	46,283	2.348
October	..	I 529	I 47	6,646	5,343	2,506	42,108	47,402	7,123	13,508	45,623	2.359
November	..	I 185	I 59	6,835	5,373	2,572	43,352	48,457	7,128	13,157	43,161	2.362
December	98,935	I 1,316	I 180	8,371	5,519	3,872	45,325	50,244	7,402	17,862	55,390	2.364
1958 January	..	I 929	I 70	6,934	5,043	2,954	44,732	50,192	7,627	10,930	40,271	2.365
February	..	I 664	I 147	6,900	5,690	2,358	44,502	50,542	7,605	12,399	41,276	2.366
March	98,460	I 244	I 204	6,886	5,881	3,827	45,965	51,486	7,654	13,435	52,348	2.305
April	..	I 1,006	I 118	7,037	5,070	2,958	46,437	51,639	7,611	13,189	46,045	2.368
May	..	I 347	I 110	6,603	4,991	2,532	46,997	52,187	7,603	13,848	45,098	2.368
June	97,204	I 85	I 99	7,012	5,526	2,160	47,288	52,948	7,695	14,553	45,432	2.361
July	..	I 433	I 159	6,889	4,950	2,753	48,116	53,480	7,885	14,314	47,498	2.341
August	..	I 387	I 218	6,938	5,415	2,187	48,711	54,166	7,897	13,115	44,407	2.326
September	101,778	I 185	I 195	6,848	5,071	2,101	50,305	55,303	7,884	13,938	53,062	2.305
October	..	I 1,148	I 196	6,945	4,121	3,267	50,414	55,417	8,012	14,078	50,107	2.287
November	..	I 1,109	I 255	7,133	3,274	4,167	52,155	56,431	7,985	13,196	43,643	2.274
December	103,322	I 1,199	I 235	8,910	3,793	5,360	54,318	58,129	8,270	19,843	60,207	2.266
1959 January	..	I 972	I 8	7,500	3,361	4,186	53,404	57,949	8,526	11,615	42,015	2.262
February	..	I 479	I 191	7,536	3,868	3,654	53,639	58,423	8,509	13,416	43,709	2.260
March	109,377	I 301	I 151	7,563	4,122	4,301	56,153	59,806	8,625	14,804	51,814	2.240
April	..	I 986	I 108	7,689	3,273	4,282	56,155	59,624	8,603	14,220	47,404	2.229
May	..	I 144	I 210	7,388	3,153	4,038	57,174	60,483	8,627	14,452	43,113	2.220
June	115,755	I 116	I 156	7,883	3,802	3,649	57,314	61,383	8,784	16,781	47,913	2.214
July	..	I 266	I 138	7,811	3,519	3,891	57,754	62,112	9,062	15,686	46,080	2.212
August	..	I 601	I 154	7,794	4,139	3,107	58,278	62,886	9,086	14,976	45,417	2.209
September	120,535	I 99	I 120	7,853	4,175	3,066	60,158	64,192	9,193	15,187	50,411	2.207
October	..	I 1,243	I 192	8,113	3,388	4,327	60,303	64,617	9,254	15,673	49,062	2.209
November	..	I 1,118	I 174	8,423	2,431	5,395	61,876	65,956	9,277	15,136	45,215	2.209
December	126,759	I 1,110	I 129	10,294	3,379	6,448	64,614	68,028	9,732	21,500	59,747	2.223
1960 January	..	I 1,326	I 49	8,740	2,978	5,027	63,900	68,219	9,894	12,202	42,334	2.236
February	..	I 777	I 34	8,659	3,647	4,217	63,820	68,808	9,870	15,918	50,541	2.246
March	..	I 524	I 117	8,766	4,256	5,289	66,408	70,282	9,950	16,808	58,253	2.249
April	..	I 1,285	I 120	9,044	3,347	5,205	66,388	70,222	..	15,930	53,766	2.252
May	..	I 419	I 107	8,699	3,346	4,507	67,757	71,283	..	16,562	50,940	2.252
June	..	I 548	I 134	9,252	4,495	3,969	67,734	72,546	..	18,065	55,110	2.252
July	..	I 108	I 228	9,315	4,541	3,868	68,432	73,597	..	16,520	51,560	2.252
August	..	I 839	I 223	9,130	4,633	3,092	69,133	74,725	..	..	..	..
Ag. Pre. Month (%)	¥ 5.2	I	I	¥ 2.0	I 2.0	I 20.1	¥ 1.0	¥ 1.5	¥ 0.9	¥ 8.6	¥ 16.4	0
Ag. Cor. Month Year Ago (%)	¥ 22.7	I	I	¥ 17.1	¥ 11.9	I 0.5	¥ 18.6	¥ 18.8	¥ 15.4	¥ 5.3	¥ 11.9	¥ 1.8

Source: EPA for (a); Finance Ministry for (b); Bank of Japan for (c), (d) and (g); Postal-Services Ministry for (e); Tokyo Clearing House for (f).
Note: * Fiscal year ** as of March. 1) Except "Deposits of Gov't & Gov't Agencies" "Checks & Bills".

1. Economic Indicators (2)

Items	Stock Market Indices (Tokyo)				Industrial Production Indices (b)		Shipment Indices (c)		Inventory Indices (c)					
	(a)								Inventory of Raw Materials		Producer's Inventory of Finished Goods		Dealers' Inventory	
	Dow-Jones	Simple Arithmetic	Total Turnovers	Investment Yields	(A)	(B)	(A)	(B)	Total	Imports	(A)	(B)		
Units & Standards	Yen		Million Stock	%	1955=100									
1950	101.73	74.00	512	9.53	47.4	—	52.5	—	—	—	48.1	66.6	—	86.0
1951	136.10	93.80	821	11.91	65.5	—	68.5	—	—	—	81.4	65.8	—	71.7
1952	245.67	124.08	2,003	9.85	70.2	—	73.9	—	—	—	93.7	80.8	—	73.5
1953	340.90	156.05	2,092	7.44	85.7	—	85.0	—	99.5	113.6	79.2	—	—	87.8
1954	340.79	110.94	1,238	9.44	92.9	—	91.1	—	103.5	111.0	100.0	—	—	97.7
1955	374.00	108.17	2,505	7.96	100.0	—	100.0	—	100.0	100.0	100.0	—	—	100.0
1956	485.33	126.43	6,692	6.68	122.0	—	119.3	—	117.9	126.6	99.6	—	—	114.1
1957	535.57	114.10	7,692	7.14	144.5	—	136.2	—	163.1	184.4	126.5	—	—	145.1
1958	571.97	110.36	11,684	6.66	144.8	—	137.5	—	160.8	188.3	152.7	—	—	154.6
1959	821.52	146.39	21,201	4.54	179.9	—	168.5	—	170.2	192.0	152.4	—	—	154.1
Ag. Pre. Year (%) ('58)	6.9	3.3	51.9	6.4	0.2	—	1.0	—	1.4	2.1	20.7	—	—	6.5
Ag. Pre. Year (%) ('59)	43.6	32.6	81.5	31.7	24.2	—	22.5	—	5.8	2.0	0.2	—	—	0.3
1956 January	426.40	121.83	357	6.92	103.0	111.1	99.9	109.3	103.1	103.4	95.6	98.9	99.2	99.2
February	429.71	122.58	387	6.61	117.0	113.3	105.6	111.3	101.6	102.2	105.4	99.4	96.3	96.3
March	444.29	125.86	492	6.53	123.6	111.4	113.6	112.1	101.7	104.2	106.6	97.4	99.3	99.3
April	471.86	130.27	712	6.45	116.6	114.9	115.8	112.4	104.1	112.5	95.0	98.1	107.4	107.4
May	480.56	132.29	609	6.38	118.1	117.9	118.5	117.0	107.8	119.6	94.8	96.5	113.4	113.4
June	502.21	137.32	716	6.33	120.3	121.4	118.9	119.6	117.8	131.3	98.3	97.6	113.3	113.3
July	498.60	132.44	417	6.51	122.5	123.0	119.8	118.9	120.4	132.9	101.3	97.0	120.4	120.4
August	502.03	129.61	417	6.69	122.7	126.1	122.6	123.1	126.6	139.3	99.5	98.0	126.2	126.2
September	487.24	122.32	323	7.25	126.8	127.8	126.0	125.5	129.4	141.5	97.2	97.8	125.7	125.7
October	496.19	116.20	540	7.25	131.0	130.9	125.4	125.6	134.8	143.4	98.2	101.8	124.9	124.9
November	532.76	122.09	1,053	6.66	131.1	132.8	126.6	127.3	134.1	144.4	100.9	103.5	120.5	120.5
December	553.89	124.34	669	6.77	136.5	132.6	139.0	129.0	133.1	145.1	102.1	104.8	122.5	122.5
1957 January	572.80	125.99	977	6.47	126.3	136.8	121.8	133.4	136.0	150.5	100.4	104.7	132.8	132.8
February	573.99	126.10	751	6.44	142.6	140.0	127.8	134.4	138.2	153.4	118.6	107.9	140.3	140.3
March	567.73	124.38	711	6.37	154.8	140.2	137.3	134.9	142.0	164.4	116.8	109.0	142.0	142.0
April	587.55	127.36	820	6.42	146.3	144.1	139.7	135.3	153.3	182.6	109.2	112.6	149.2	149.2
May	547.58	118.00	775	7.17	152.0	151.5	142.9	141.2	159.5	192.2	116.4	118.7	146.9	146.9
June	524.70	112.66	444	7.29	149.1	150.2	138.3	139.0	172.2	205.4	124.8	121.8	151.8	151.8
July	495.89	104.73	487	7.87	149.7	151.5	139.7	139.0	174.1	201.1	134.6	127.4	148.1	148.1
August	511.93	107.21	603	7.29	142.5	147.0	135.8	136.8	177.8	201.2	137.0	133.4	154.0	154.0
September	532.32	110.97	730	7.44	143.5	145.4	139.9	139.3	176.2	193.7	136.0	136.5	152.9	152.9
October	517.76	106.87	615	7.75	142.4	143.0	135.7	136.1	179.1	195.0	138.0	142.1	144.4	144.4
November	503.76	103.98	362	7.86	141.4	144.0	132.3	136.6	176.9	188.5	145.3	148.2	139.1	139.1
December	490.77	100.96	417	8.13	143.9	140.1	142.1	133.0	172.0	185.2	148.9	153.2	139.1	139.1
1958 January	505.90	103.35	673	7.51	132.2	143.3	123.0	134.9	167.5	185.7	151.6	157.6	143.4	143.4
February	528.61	106.78	862	7.37	145.9	142.9	128.9	135.5	167.0	191.2	160.3	159.0	145.0	145.0
March	528.62	105.61	699	7.48	155.5	140.5	136.0	133.4	162.6	191.0	163.1	156.9	151.5	151.5
April	545.81	107.06	829	7.28	141.0	138.8	140.5	135.9	158.9	187.8	147.4	151.9	158.8	158.8
May	560.34	108.48	701	6.86	140.5	140.0	134.6	132.8	158.3	190.2	147.4	150.4	162.9	162.9
June	574.70	110.99	1,055	6.61	139.7	140.8	132.0	132.4	163.0	193.1	153.7	150.1	158.4	158.4
July	571.11	108.82	966	6.72	142.4	144.2	137.3	136.3	164.1	193.7	156.7	148.6	156.6	156.6
August	585.00	111.00	1,276	6.41	140.7	145.2	136.5	137.4	161.7	194.2	154.0	150.2	162.0	162.0
September	588.40	111.39	958	6.51	145.2	147.3	139.8	139.4	158.2	189.8	151.1	151.4	161.2	161.2
October	604.36	113.60	1,591	6.30	149.2	149.9	143.5	143.5	154.7	184.1	148.8	152.9	155.5	155.5
November	622.30	116.37	907	5.91	147.9	150.8	142.2	143.6	154.5	179.4	149.7	152.5	152.6	152.6
December	648.44	120.86	1,168	5.51	157.4	153.1	156.2	145.1	157.8	179.3	149.0	153.1	147.3	147.3
1959 January	676.26	126.92	1,240	5.16	147.4	160.0	138.9	152.2	159.0	176.5	147.4	152.9	147.4	147.4
February	703.97	131.97	1,379	4.95	164.9	162.1	147.9	155.4	159.0	176.0	154.4	152.1	142.0	142.0
March	742.27	138.55	1,573	4.79	177.5	161.3	157.0	153.9	159.2	177.1	153.3	146.2	140.3	140.3
April	755.32	138.22	1,240	4.94	169.6	167.0	162.2	156.7	158.7	184.7	141.9	146.3	150.2	150.2
May	776.92	141.54	1,858	4.63	174.3	173.5	162.2	160.1	164.0	197.9	143.6	146.8	149.9	149.9
June	806.95	146.55	1,682	4.62	180.0	181.1	167.0	167.4	174.2	202.9	150.4	147.2	151.3	151.3
July	832.30	150.22	1,528	4.35	181.3	183.6	170.5	169.8	177.0	208.1	155.0	147.5	155.8	155.8
August	863.12	154.45	1,495	4.11	179.4	184.8	171.1	172.6	178.7	204.0	154.2	150.7	164.8	164.8
September	893.43	156.89	2,142	4.30	187.9	189.7	177.6	177.3	179.8	203.8	153.2	153.6	165.2	165.2
October	934.99	158.54	2,914	4.11	192.8	191.4	179.9	180.7	178.8	195.0	157.8	161.8	158.7	158.7
November	948.98	160.42	2,329	4.13	195.0	198.2	184.7	186.5	177.0	189.7	159.5	162.1	158.0	158.0
December	923.78	152.36	1,823	4.70	208.7	202.4	202.6	189.0	177.3	188.7	158.3	162.2	165.1	165.1
1960 January	932.08	150.34	1,669	4.43	194.1	211.4	173.9	190.6	178.8	190.0	160.5	166.0	170.2	170.2
February	986.08	158.12	1,635	4.24	218.9	217.4	188.0	197.2	181.6	194.4	172.3	169.2	181.9	181.9
March	1,028.07	163.20	2,511	4.18	234.2	216.1	201.6	196.2	186.2	208.3	177.7	170.2	185.5	185.5
April	1,077.59	166.75	2,333	4.05	219.2	215.2	201.5	194.4	187.2	209.7	167.5	173.0	199.7	199.7
May	1,052.95	161.73	1,675	4.53	220.0	218.8	200.5	198.2	191.0	212.6	172.3	176.4	198.6	198.6
June	1,040.46	158.69	1,955	4.18	223.7	224.7	203.3	203.6	199.1	217.2	182.1	178.8	198.2	198.2
July	1,102.12	165.94	1,802	4.15	225.2	228.1	209.8	208.8	202.9	186.5	226.5	178.0	..	..
August	1,136.12	168.96	2,334	3.85	..	..	..	..	..	..	..	..	..	..
Ag. Pre. Month (%)	3.1	1.8	29.5	7.2	0.7	1.5	3.2	2.6	1.9	4.3	2.4	0.4	0.2	0.2
Ag. Cor. Month Year Ago (%)	31.6	9.4	56.1	6.3	24.2	24.2	23.0	23.0	14.7	8.8	20.3	20.7	31.3	31.3

Sources: Tokyo Securities Exchange for (a); MITI for (b) and (c).

Note: (A) denotes indices not seasonally adjusted; (B) seasonally adjusted.

1. Economic Indicators (3)

Items	Building Construction (a) Started		Machinery Orders (b)*			(c) Rail- road Carload- ings	(d) Depart- ment Store Sales (All Japan)	(e) Whole- sale Price Indices	(f) Tokyo Retail Price Indices	Consumer (g) Price Indices		(h) Tokyo Living Cost Indices	(i) Consumer Spending, (All House holds of All Cities	Consumer Expenditure Level	
	Total	Indus- try	New Orders	New Orders (except Ves- sels)	Out- stand- ing Orders					All cities	Tokyo			(j) Urban	(k) Rural
Units & Standards	1,000m2		¥100 million			1,000 t.	¥mil.	1952=100		1955=100		1946 =100	Yen	1955=100	
1950	29,686	3,370	—	—	—	130,962	68,834	—	—	72.9	74.0	541.1	13,614	70.8	—
1951	32,450	4,768	—	—	—	159,470	107,115	—	—	84.9	85.9	637.4	14,620	72.0	—
1952	34,356	4,049	—	—	—	154,395	135,506	100.0	100.0	89.1	89.5	681.9	18,161	84.1	90.9
1953	35,121	4,628	—	—	—	158,243	177,641	100.4	103.5	95.0	96.2	782.1	21,727	86.1	96.2
1954	34,106	3,728	—	—	—	158,095	199,047	99.7	106.9	101.1	101.5	850.2	23,067	95.9	99.5
1955	33,920	3,688	—	—	—	158,646	212,272	97.9	102.4	100.0	100.0	847.4	23,513	100.0	100.0
1956	40,866	6,431	—	—	—	169,769	258,899	102.2	102.1	100.4	101.0	832.3	24,231	105.2	102.8
1957	43,669	8,003	—	—	8,474	179,992	309,950	105.3	104.4	103.5	103.9	869.3	26,092	109.8	105.2
1958	42,429	5,479	4,783	3,883	7,074	167,047	338,370	98.4	103.2	103.0	104.9	871.7	27,799	116.9	107.9
1959	50,766	9,372	6,918	6,094	7,629	177,757	388,455	99.5	102.9	104.1	106.3	879.1	29,375	123.2	112.4
Ag. Prev. Year (%) ('58)	↗2.8	↗31.5	—	—	↗16.5	↗7.2	↗9.2	↗6.6	↗1.1	↗0.5	↗1.0	↗0.3	↗6.5	↗6.5	↗2.5
Ag. Prev. Year (%) ('59)	↗19.6	↗71.1	↗44.6	↗56.9	↗7.8	↗6.4	↗14.8	↗1.1	↗0.3	↗1.1	↗1.3	↗0.8	↗5.7	↗5.4	↗4.2
1956 January	2,721	387	—	—	—	12,266	14,577	98.6	99.8	98.9	99.3	893.1	21,951	94.6	108.5
February	3,010	382	—	—	—	13,071	14,532	99.3	100.7	99.8	100.5	835.2	20,957	97.0	109.6
March	3,535	415	—	—	—	13,815	20,314	99.6	102.3	100.0	101.0	835.2	23,325	100.7	105.5
April	3,323	453	—	—	—	13,865	19,620	100.3	102.6	100.2	100.6	838.3	23,236	103.9	103.2
May	3,562	526	—	—	—	14,575	17,624	101.3	101.6	99.8	100.4	830.5	22,667	98.7	88.6
June	3,563	526	—	—	—	14,061	18,107	101.4	103.1	101.9	102.3	836.8	23,510	101.0	84.6
July	3,688	505	—	—	—	14,253	23,690	101.6	102.9	99.8	99.2	838.3	24,926	105.7	91.4
August	3,566	615	—	—	—	14,182	17,816	102.8	103.2	100.4	100.4	832.1	23,118	98.9	103.4
September	3,549	702	—	—	—	14,430	15,647	104.7	102.6	101.2	101.3	820.3	22,042	97.3	93.7
October	3,595	694	—	—	—	15,528	20,876	104.6	102.7	101.7	102.7	828.2	23,500	101.2	99.8
November	3,293	594	—	—	—	14,913	23,524	105.6	101.7	100.0	101.4	825.8	23,234	105.2	102.6
December	3,461	633	—	—	—	14,808	52,571	106.4	101.5	101.1	102.3	827.4	38,302	157.3	143.4
1957 January	3,146	605	—	—	—	13,708	17,226	106.8	102.3	102.2	102.8	847.0	22,618	96.0	114.5
February	3,328	624	—	—	—	13,972	17,595	106.7	102.4	102.0	102.2	860.3	21,403	101.9	104.4
March	3,881	725	—	—	—	15,135	25,978	106.6	104.1	102.3	102.3	868.9	25,211	105.7	107.3
April	4,215	802	—	—	—	15,043	23,903	106.6	105.3	102.9	103.2	879.1	24,483	107.0	105.3
May	4,005	916	—	—	—	15,462	21,184	106.1	105.7	103.8	104.1	883.8	24,516	102.7	91.0
June	3,896	770	—	—	—	15,232	22,232	105.7	104.5	103.5	104.5	874.4	25,700	107.6	88.6
July	3,822	711	—	—	—	15,184	29,718	104.6	106.0	104.7	104.5	861.9	27,216	109.1	94.8
August	3,379	635	—	—	—	14,650	21,873	104.0	106.8	105.4	105.2	865.0	25,134	101.7	104.5
September	3,419	651	—	—	—	14,966	19,424	104.3	105.8	104.9	104.9	879.9	24,230	102.9	96.4
October	3,804	547	360	251	8,436	15,588	24,700	104.6	104.0	104.6	105.3	876.0	25,509	105.8	103.2
November	3,502	576	538	249	8,543	15,580	25,758	104.1	103.4	103.1	103.8	864.2	24,691	108.1	106.6
December	3,273	442	626	335	8,474	15,472	60,352	103.0	102.8	102.9	103.5	870.7	42,385	169.0	146.3
1958 January	2,848	421	321	265	8,405	13,022	19,776	101.6	102.4	103.1	103.8	882.1	23,997	99.9	107.3
February	2,932	389	286	257	8,140	13,519	20,251	100.3	102.1	102.3	103.4	874.9	22,967	107.2	112.1
March	3,275	452	508	486	8,028	14,292	27,623	99.8	101.6	101.9	102.8	873.2	26,805	111.9	116.9
April	3,745	443	307	259	7,824	13,609	26,522	99.5	101.9	102.3	103.7	866.4	26,649	115.3	109.5
May	3,453	417	269	253	7,625	13,790	23,265	98.8	102.3	102.2	103.6	866.4	26,032	110.0	93.4
June	3,752	488	344	312	7,404	13,116	23,842	97.9	104.3	103.4	105.6	868.1	27,843	116.9	91.2
July	3,854	479	360	202	7,219	13,539	32,079	97.5	103.9	102.9	104.1	862.6	28,456	117.1	94.9
August	3,739	494	315	288	7,131	13,324	24,030	97.2	105.3	104.0	105.5	865.2	26,711	110.0	105.7
September	3,589	472	766	509	7,341	13,616	19,777	96.9	102.9	103.5	105.3	873.1	25,438	109.7	96.7
October	3,774	442	341	246	7,050	14,980	27,464	96.8	104.9	104.3	108.0	896.1	27,396	113.4	103.9
November	3,636	458	309	383	6,888	14,856	29,507	97.3	103.1	103.3	106.9	870.4	26,440	115.5	108.6
December	3,832	522	656	423	7,074	15,385	64,235	97.5	103.4	103.1	106.5	861.5	44,852	175.6	154.3
1959 January	2,980	439	373	320	7,077	12,932	21,935	97.8	102.2	103.3	106.1	863.4	25,413	106.8	111.0
February	3,740	635	413	394	7,005	13,967	21,672	98.3	102.8	102.8	105.3	869.7	24,084	112.3	114.9
March	3,693	570	657	595	7,094	14,750	30,668	98.6	102.6	103.1	105.4	873.8	28,683	119.5	120.7
April	4,240	811	469	448	7,146	14,393	28,357	98.7	103.3	103.7	105.9	887.9	27,653	120.1	111.0
May	3,922	642	455	506	7,095	15,256	26,637	98.6	101.5	102.9	105.4	869.9	27,866	117.5	94.4
June	4,049	814	503	473	7,029	14,794	27,081	98.4	101.8	103.7	105.1	868.0	29,227	123.0	95.2
July	4,607	834	681	567	7,217	14,709	38,667	98.6	102.2	103.8	105.3	869.9	30,582	124.9	99.3
August	4,374	908	529	485	7,226	14,468	27,026	99.6	104.5	105.4	107.1	872.8	28,015	114.3	109.0
September	4,568	887	746	585	7,335	14,825	23,231	100.1	103.1	104.4	106.5	886.9	26,367	113.7	102.4
October	4,275	826	670	509	7,463	15,726	32,579	101.0	104.5	105.9	107.8	901.8	28,510	116.8	111.5
November	4,237	826	629	569	7,462	15,591	33,786	101.8	103.2	105.3	107.9	894.0	28,223	120.6	115.4
December	6,082	1,179	793	740	7,629	16,346	76,816	101.6	103.4	105.3	108.0	890.8	47,880	187.9	164.1
1960 January	2,943	677	669	619	7,855	14,115	26,152	101.5	104.2	106.2	108.8	908.1	27,304	111.2	120.2
February	3,853	870	676	608	7,762	15,568	26,005	101.1	104.7	106.3	108.9	906.5	26,922	116.8	116.5
March	4,998	1,080	952	822	7,869	16,817	35,566	101.0	104.8	105.8	108.3	912.0	30,176	123.1	130.1
April	5,584	1,290	696	641	7,772	16,141	34,713	100.9	106.0	106.5	108.9	916.7	30,194	127.3	117.0
May	5,024	1,114	688	566	7,765	16,445	31,646	100.8	105.4	106.8	109.8	913.1	29,771	120.6	101.2
June . . . . .	..	..	882	813	8,017	15,758	32,312	100.7	105.5	108.0	110.5	907.1	31,848	127.5	..
July . . . . .	..	..	919	848	8,295	16,208	48,100	100.6	105.5	108.3	110.6	904.4	33,784	130.7	..
August . . . . .	..	..	..	..	..	15,784	31,900	101.0	108.2	..	112.2	906.6	..	..	..
Ag. Pre. Month (%)	↗10.0	↗13.6	↗4.2	↗4.3	↗3.5	↗2.6	↗33.8	↗0.4	↗1.5	↗0.3	↗1.4	↗0.8	↗6.1	↗2.5	↗13.5
Ag. Cor. Month Year Ago (%)	↗28.1	↗73.5	↗34.9	↗49.6	↗14.9	↗9.1	↗18.0	↗1.4	↗5.3	↗4.3	↗4.8	↗3.0	↗10.5	↗4.6	↗7.2

Source: Construction Ministry for (a); EPA for (b); National Railways for (c); MITI for (d); Bank of Japan for (e) & (f); Prime Minister's Office for (g); *Oriental Economist* for (h); Prime Minister's Office for (i); EPA for (j); Agriculture & Forestry Ministry for (k). Enterprises Surveyed Number 127.

1. Economic Indicators (4)

Items	Real Wage Indices (Manufacturing)	Cash Wage (Manufacturing)	Employment Indices (Mfg. Regular Employees) (a)	Employment	Unemployment (b)	Foreign Trade (c)		Foreign Exchange (d)				Gold & Foreign Ex. Reserve (e)	Export and Import Price Index (f)		
								Visible Trade			Overall Balance				
						Exports	Imports	Receipts	Payments	Balance					
Units & Standards	1955=100	Yen	1955=100	10,000		U.S.\$ million						1953=100			
1950	75.6	9,133	1	3,572	44	820	974								
1951	82.3	11,708	85.4	3,622	39	1,355	1,995								
1952	91.5	13,516	87.9	3,729	47	1,273	2,028					* 930			
1953	96.2	15,322	92.0	3,912	45	1,275	2,410					* 913	100.0	100.0	
1954	95.3	16,309	97.1	3,962	59	1,629	2,399					* 637	96.9	94.2	
1955	100.0	16,717	100.1	4,088	68	2,011	2,471					* 738	93.4	94.6	
1956	108.9	18,348	109.5	4,172	63	2,501	3,230					* 839	96.4	95.9	
1957	109.3	19,259	122.7	4,284	52	2,858	4,284	3,612	4,002	1	389	524	97.4	101.4	
1958	112.8	19,180	125.4	4,312	56	2,877	3,033	3,441	2,932		509	337	861	90.7	88.4
1959	121.0	20,792	136.3	4,370	58	3,456	3,599	3,913	3,561		352	461	1,322	90.4	83.7
Ag. Pre. Year (%) ('58)	± 3.2	± 0.4	± 2.2	± 0.7	± 7.7	± 0.7	± 29.2	± 4.7	± 26.7			± 64.3	± 6.9	± 12.9	
Ag. Pre. Year (%) ('59)	± 7.3	± 8.4	± 8.7	± 1.3	± 3.6	± 20.2	± 18.6	± 13.7	± 21.5			± 53.5	± 0.4	± 5.4	
1956 January	96.6	15,914	102.4	3,846	68	150	219							93.5	94.6
February	93.7	15,598	102.8	3,844	74	186	220							95.3	95.6
March	92.7	15,478	104.5	4,027	105	224	253							95.4	94.0
April	95.0	15,925	108.6	4,187	70	195	255							95.7	93.6
May	93.5	15,623	109.0	4,330	62	195	272							96.0	94.6
June	119.6	20,435	109.9	4,376	56	211	280							96.5	94.3
July	132.6	22,214	110.8	4,305	56	198	276							96.8	96.0
August	98.7	16,647	111.5	4,222	56	216	289							97.4	96.4
September	94.3	16,055	112.6	4,209	55	205	259							97.3	97.8
October	94.4	16,179	113.3	4,325	50	234	305							97.5	97.8
November	99.0	16,692	113.9	4,263	53	216	282							97.5	97.5
December	195.6	33,407	114.5	4,130	56	272	319							98.0	98.7
1957 January	96.4	16,652	114.9	3,991	57	169	328	283	335		53	61	880	98.2	100.3
February	95.2	16,433	115.9	4,023	60	213	344	275	347		72	63	817	99.2	101.6
March	92.5	16,039	118.4	4,169	82	274	393	299	377		78	80	738	99.6	102.7
April	95.6	16,694	124.4	4,282	58	225	433	296	381		85	53	685	98.5	103.7
May	93.1	16,411	124.9	4,372	46	237	453	309	422		114	77	608	98.4	104.4
June	125.6	22,118	125.5	4,413	45	210	393	283	384		101	97	511	98.0	103.7
July	136.6	24,347	125.6	4,399	47	251	389	312	376		64	11	500	97.9	102.6
August	98.0	17,619	125.2	4,351	48	258	362	319	330		12	18	481	96.8	102.2
September	92.0	16,481	125.0	4,336	48	259	320	284	268		17	27	455	96.4	101.0
October	91.3	16,326	124.6	4,441	50	225	306	329	265		64	8	463	95.9	100.1
November	94.0	16,592	124.1	4,399	43	236	266	299	238		61	15	478	94.5	98.6
December	200.7	35,394	123.8	4,233	42	302	297	324	278		47	46	524	94.5	96.5
1958 January	97.5	16,590	123.1	4,031	52	182	270	280	255		15	3	522	93.9	93.4
February	96.5	16,296	122.5	4,046	57	242	261	282	249		33	42	564	92.5	92.3
March	94.5	15,889	123.5	4,202	85	287	273	305	261		43	65	629	91.7	91.1
April	96.8	16,336	127.1	4,295	54	221	254	271	227		44	34	663	91.4	89.6
May	95.7	16,149	126.5	4,472	51	231	264	297	272		24	39	702	90.9	88.8
June	126.2	21,537	126.3	4,489	59	227	256	268	255		13	16	718	90.5	88.3
July	148.3	25,181	126.1	4,409	57	231	253	279	235		44	21	739	90.2	88.1
August	100.6	17,262	125.8	4,345	58	227	245	269	229		40	43	781	90.3	87.9
September	96.4	16,475	126.0	4,359	53	230	235	278	209		69	23	759	90.0	86.0
October	95.7	16,473	125.9	4,457	49	257	235	295	237		58	46	805	89.3	85.7
November	99.8	17,024	126.0	4,389	49	237	223	286	218		69	0.3	805	89.2	85.2
December	205.3	34,943	126.1	4,252	53	303	264	341	284		57	56	861	89.0	84.8
1959 January	99.8	17,010	126.1	4,061	67	175	241	264	246		18	7	868	88.9	84.7
February	100.5	17,043	126.9	4,068	71	275	254	283	252		31	70	938	88.9	84.3
March	98.0	16,678	129.7	4,237	92	279	295	325	285		40	36	974	88.8	83.8
April	101.8	17,425	135.6	4,393	57	261	299	280	280		0	35	1,009	89.1	83.8
May	101.3	17,190	136.4	4,541	54	278	322	302	313		11	64	1,073	89.5	83.9
June	138.9	23,767	137.4	4,539	59	273	325	349	314		35	32	1,105	90.0	84.0
July	158.2	27,109	138.1	4,489	58	300	313	338	302		36	97	1,201	90.0	84.1
August	105.4	18,329	138.9	4,426	59	301	290	333	289		44	20	1,181	90.8	84.4
September	102.5	17,659	140.3	4,367	45	283	299	350	302		48	28	1,209	91.2	83.4
October	101.7	17,777	141.1	4,548	41	345	298	361	292		69	41	1,250	91.8	83.0
November	107.3	18,649	142.0	4,456	44	293	290	343	307		36	41	1,291	92.9	82.5
December	235.1	40,869	142.7	4,248	46	394	373	385	379		6	30	1,322	93.2	82.7
1960 January	103.4	18,129	143.0	4,101	55	218	331	310	339		29	6	1,328	93.6	82.8
February	104.2	18,281	143.9	4,202	51	318	364	329	350		21	7	1,321	94.1	83.4
March	103.7	18,110	147.6	4,331	72	350	435	394	390		4	31	1,361	94.4	83.4
April	106.2	18,669	155.7	4,488	47	311	355	329	338		9	22	1,385	94.7	83.4
May	104.6	18,440	156.3	4,613	42	311	385	379	387		8	34	1,419	94.3	82.1
June	148.9	26,537	157.0	4,599	41	337	372	370	386		16	35	1,451	94.2	82.3
July	..	..	..	4,598	40	340	379	389	388		1	48	1,505	93.8	81.8
August	..	..	..	..	..	342	369	..	..		..	..	1,569	..	..
Ag. Pre. Month (%)	± 42.4	± 43.9	± 0.4	± 0.03	± 2.4	± 0.6	± 2.6	± 5.1	± 0.5			± 4.8	± 0.4	± 0.6	
Ag. Cor. Month Year Ago (%)	± 7.2	± 11.7	± 14.3	± 2.4	± 31.0	± 13.6	± 27.2	± 15.1	± 28.5			± 32.3	± 4.2	± 2.7	

Source: Labor Ministry for (a); Prime Minister's Office for (b); Ministry of Finance for (c), (e) and (f); Bank of Japan for (d).
Note: * End of March.

2. Treasury Accounts with the Public

(In ¥100,000,000) (Ministry of Finance)

Items	Fiscal 1958	Fiscal 1959					Fiscal 1960					Fiscal 1959
	Total	Apr.—June	July—Sept.	Oct.—Dec.	Jan.—Mar.	Total	Apr.—June	June	July	Aug.	Aug.	
General Account												
Revenue												
Taxes	10,151	2,620	2,880	3,012	3,400	11,913	3,472	1,771	1,227	1,246	948	
Monopoly	1,176	396	344	226	257	1,226	437	130	103	168	146	
Others	459	193	105	118	105	521	196	34	39	31	34	
Total	11,786	3,329	3,329	3,356	3,762	13,660	4,105	1,935	1,369	1,445	1,128	
Expenditure												
Security Forces	506	103	116	108	81	409	—	—	—	—	—	
Defense Agency	1,159	395	231	390	298	1,318	409	123	85	90	81	
Public Works Expenditure	1,175	230	235	421	415	1,294	430	54	34	104	106	
Local Finance Equalization Grants	2,566	1,171	724	647	378	2,919	1,304	652	42	59	61	
Compulsory Education Expenditure	952	261	192	346	178	977	317	117	77	80	72	
Others	4,397	1,137	913	1,375	1,023	4,449	1,365	380	368	378	306	
Total	10,755	3,297	2,411	3,289	2,273	11,366	3,825	1,326	606	711	626	
Balance	1,031	1	918	69	1,389	2,294	280	609	763	734	502	
Special Accounts and Others												
Foodstuff Control	64	953	445	1,462	781	174	1,011	227	645	125	159	
Trust Funds Bureau	504	214	32	645	71	753	490	35	78	40	62	
Industrial Investment	43	44	30	44	33	23	24	21	2	10	20	
Road Improvement	1	187	161	291	149	789	254	26	44	63	77	
National Railways and Nippon Telegraph & Tel. Public Corporation	123	97	181	329	244	6	116	81	4	130	69	
Finance Corporation	1,295	310	255	441	311	1,296	357	128	70	74	58	
Others	64	147	356	119	639	967	45	174	208	159	147	
Total	1,591	46	262	3,066	1,308	2,074	227	152	623	307	282	
Adjustment Items	15	118	8	22	61	40	13	79	20	21	29	
Foreign Exchange	1,935	473	411	495	132	1,513	361	134	228	223	154	
Balance	2,510	725	237	3,470	2,626	1,333	321	548	108	839	601	

3. Monthly Report of All Banks

(June 1960 Excluding Bank of Japan) (In million yen) (Bank of Japan)

	All Banks							Trust Account (16)
	Debenture Issuing Banks (3)	City Banks (13)	Local Banks (64)	Trust Banks (7)	Total (87)	Leftover from Pre. mo. (87)	Month-end, previous year (86)	
Deposits								
Current Deposits	21,551	812,785	233,633	56,739	1,124,709	1,125,433	1,095,803	—
Ordinary Deposits	8,817	756,533	479,232	29,479	1,274,063	1,271,653	1,095,100	—
Deposits at Notice	37,829	356,696	122,704	56,192	573,422	577,155	477,445	—
Time Deposits	18,363	2,558,259	1,478,710	96,753	4,152,086	4,070,138	3,456,682	—
Special Deposits	3,648	209,888	69,796	12,355	295,689	377,557	230,275	—
Instalment Savings	—	35,873	138,158	3,477	177,509	178,600	174,787	—
Deposits for Tax Payment	366	7,396	3,380	399	11,543	13,503	9,334	—
Deposits of Gov't and Gov't Agencies	511	147,114	—	—	147,625	144,467	122,885	* 238,362
Other Deposits	72	2,131	—	—	2,232	2,063	926	** 438,980
Total	91,161	4,886,678	2,525,616	255,427	7,758,883	7,760,573	6,663,211	—
Borrowed Money	12,690	517,164	6,218	6,434	542,507	429,700	388,620	—
Due to the Bank of Japan Only	4,871	402,513	5,194	—	413,804	298,508	350,803	—
Borrowings for Settlement of Import Bills	302	10,720	52	—	11,075	13,104	31,684	—
Call Money	4,850	258,231	7,933	15,356	286,371	298,229	274,367	—
Cash and Deposits								
Cash in Hand	19,492	727,424	170,440	38,400	955,727	956,806	904,139	5,430
Deposits with Domestic Money Organs	2,405	23,090	30,336	6,718	62,550	70451	32,267	1,437
Call Loans	10,755	100	112,916	13,995	137,766	153,563	88,548	84,069
Securities								
Government Bonds	1,635	34136	8,385	450	44,607	44,547	35,342	41
Local Government Bonds	4,554	66,579	30,387	276	101,798	100,887	88,398	1,630
Foreign Bonds	12	2,006	—	—	2,018	1,748	1,582	—
Corporate Debentures	40,568	574,681	368,246	21,520	1,005,017	982,795	789,845	6,162
Stocks	19,677	131,386	40,527	8,929	200,521	196,649	152,135	7,177
Other Bonds	368	886	1,606	5,389	8,251	8,333	7,599	29
Total	66,817	809,677	449,153	36,567	1,362,215	1,334,962	1,084,903	15,043
Advance								
Discount Bills	17,319	1,559,339	609,597	113,744	2,300,000	2,266,491	1,840,911	12,489
Bank Acceptance Bills	—	918	14,494	5	15,418	15,335	22,595	—
Commercial Bills	17,319	1,557,604	593,555	113,734	2,282,214	2,248,930	1,816,223	—
Documentary Bills	—	816	1,546	4	2,367	2,226	2,092	—
Advances against Guarantee	818,766	2,637,600	1,371,632	107,401	4,935,400	4,838,559	4,249,073	619,430
Loans on Bills	61,236	2,565,559	1,306,406	103,172	4,036,375	3,950,828	3,520,570	142,731
Loans on Deeds	757,417	27,510	48,406	3,274	836,608	824,100	673,356	173,775
Overdrafts	111	44,530	16,819	955	62,416	63,630	55,145	—
Loans for Settlement of Import Bills	506	18,169	418	220	19,314	23,446	48,317	—
Total	836,591	4,215,108	1,981,648	221,366	7,245,715	7,128,497	6,138,302	631,919

Note : * Money in trust total. **Loan trust. Figures in parentheses denote the number of banks surveyed.

4. Bank of Japan Ten-day Report

(In million yen)

(Bank of Japan)

Items	1960			1959
	Aug. 10	Aug. 20	Aug. 31	Aug. 31
LIABILITIES				
Bank Notes Issued	846,533	833,761	913,081	779,405
Bankers' Deposits	56,289	96,477	28,080	8,817
Government Deposits	37,407	36,070	39,880	48,860
Other Deposits	12,423	11,900	11,385	11,113
Reserves Against Contingencies	49,128	49,128	49,128	43,749
Other Liabilities	35,004	35,699	37,460	40,420
Capital Stock	100	100	100	100
Reserve Funds	29,535	29,535	29,535	25,486
Total	1,066,421	1,092,673	1,108,652	957,952
ASSETS				
Bullion	25,521	25,521	25,521	25,521
Cash	6,496	6,815	6,794	6,733
Discounted Bills	63,167	64,196	57,142	49,958
Loans	442,609	409,743	406,187	364,040
Foreign Exchange Loans	—	—	—	—
Loans to Gov't	—	—	—	—
Government Bonds	282,325	290,861	309,290	310,724
Foreign Ex. Accounts	216,251	216,357	216,415	162,126
Agencies Accounts	14,871	14,990	22,239	14,025
Other Assets	15,178	64,187	65,061	24,821
Total	1,066,421	1,092,673	1,108,652	957,952

5. Outstanding Loans to Industries by All Banks

(In million yen)

(Bank of Japan)

End of Month	June 1960			July 1960		
	Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
Manufacturing total	3,539,222	555,649	892,842	3,604,084	568,524	901,881
Foodstuffs	276,285	20,075	127,982	273,935	20,767	125,204
Textiles	669,218	69,932	214,472	681,217	70,739	216,847
Wood and Wood Products	133,714	4,933	109,714	134,739	5,104	110,863
Paper & Related Products	205,357	45,637	33,163	207,390	46,536	33,167
Printing & Publishing	66,924	7,853	23,272	68,551	8,061	23,825
Chemicals	444,336	114,030	47,098	453,586	116,118	47,887
Glass & Ceramics	135,826	28,337	24,686	138,481	29,075	25,258
Iron & Steel	369,589	108,568	30,467	375,886	110,486	31,299
Non-ferrous Metals	111,535	15,526	18,493	114,406	16,420	18,582
Machinery	194,288	15,270	78,784	201,039	15,722	80,789
Electric Machinery & Tools	310,721	45,042	33,898	319,946	46,317	34,699
Trans. Machinery & Tools	272,549	31,911	31,683	278,950	33,583	32,464
Agriculture	21,433	1,186	21,091	20,321	1,190	20,003
Forestry & Hunting	14,301	86	14,215	14,157	92	11,277
Fishery	85,048	25,800	24,252	86,145	26,286	24,402
Mining	159,332	38,338	16,301	162,297	39,200	16,042
Metal Mining	42,479	11,984	1,154	43,203	12,589	1,237
Coal Mining	95,672	18,618	9,033	97,797	18,796	8,653
Construction	181,249	8,055	70,725	187,161	8,260	73,432
Wholesale & Retail	2,108,879	35,965	985,832	2,130,527	37,087	988,193
Wholesale	1,904,141	20,057	841,880	1,925,247	20,669	843,777
Retail	204,737	15,907	143,952	205,279	16,418	144,416
Finance Insurance	112,946	238	13,051	109,712	256	12,849
Real Estate	59,234	20,332	22,971	60,499	20,476	23,323
Trans. & Communications	363,624	182,159	41,081	369,085	183,682	41,997
Railways	76,770	30,350	341	78,331	31,048	330
Shipping	166,731	117,830	15,207	167,144	118,089	15,399
Public Utilities	258,108	242,962	334	261,261	245,611	367
Services	153,411	47,737	95,976	226,611	223,831	2
Local Public Corporation	36,309	12,102	5	156,659	49,273	97,385
Others	99,196	6,872	99,196	36,807	11,611	—
Total	7,192,297	1,177,487	2,294,950	7,297,879	1,198,500	2,310,316

6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)
1960: Mar. . .	2.30	2.30	188,713	2.30	2.30	49,902
Apr. . .	2.30	2.30	232,293	2.30	2.30	62,511
May . .	2.30	2.30	222,434	2.30	2.30	62,833
June . .	2.30	2.30	219,064	2.30	2.30	55,182
July . .	2.30	2.30	216,351	2.30	2.30	51,292
Aug. . .	2.30	2.30	210,636	2.30	2.30	54,986
1959: Aug. . .	2.30	2.30	147,850	2.30	2.30	39,821

7. Postal Savings & Postal Transfer Savings

(In million)

(Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1959: Oct. . . .	84,352	71,310	916,067	9,336	925,403
Nov. . . .	61,804	60,059	916,986	9,847	926,833
Dec. . . .	131,380	86,961	962,225	10,937	973,162
1960: Jan. . . .	76,249	58,803	979,672	9,740	989,412
Feb. . . .	72,563	73,725	978,509	8,497	987,007
March	91,383	83,243	986,650	8,793	995,442
1959: March . . .	81,245	71,494	835,841	8,673	862,514

8. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1959: Nov. . .	(1,000)	4,522	(1,000)	2,186	(1,000)	923
Dec. . .	15,136	5,975	8,490	2,884	3,129	1,208
1960: Jan. . .	12,202	4,233	4,906	2,061	4,458	850
Feb. . .	15,918	5,054	6,287	2,464	2,347	1,052
Mar. . .	16,808	5,825	6,725	2,897	3,287	1,160
Apr. . .	15,930	5,377	6,380	2,609	3,425	1,133
May . .	16,562	5,094	6,597	2,452	3,290	1,070
June . .	18,065	5,511	7,073	2,703	3,411	1,196
July . .	16,520	5,156	6,688	2,481	3,367	1,096
Aug. . .	..	..	6,892	2,795	3,631	1,210
1959: Aug. . .	14,976	4,542	5,933	2,146	3,110	978

9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Local Gov't Bonds	Financial Debenture		Industrial Debenture
			Interest Bearing	Discount	
1959: Nov. . . .	—	7.691	7.621	6.643	7.913
Dec. . . .	6.324	7.682	7.621	6.643	7.899
1960: Jan. . . .	—	7.682	7.621	6.643	7.911
Feb. . . .	—	7.659	7.621	6.643	7.883
Mar. . . .	6.324	7.672	7.621	6.643	7.907
Apr. . . .	—	7.720	7.621	6.643	7.897
May	—	7.683	7.621	6.643	7.910
June	6.324	7.707	7.621	6.643	7.899
July	—	7.763	7.610	6.643	7.922
1959: July	—	7.720	7.621	6.643	7.903

Note: Table 6: How to Compute Per Diem Interest: In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in vogue in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate, multiply the latter by 365. For example, a per diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

10. Government Bonds

(In million yen)

(Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1960: March	2,860	3,222	460,769	226,011	167,972	250,085	84,124	41,338	328,178
April	555	2,347	458,978	178,000	162,073	266,012	242,111	276,762	293,527
May	403	3,817	455,563	102,077	114,010	254,079	50,003	162,397	181,133
June	1,619	1,199	455,983	215,011	201,922	267,168	102,076	151,129	132,080
July	446	1,177	455,252	52,010	80,157	239,021	87,085	30,004	189,161
1959: July	703	199	400,514	132,445	133,886	184,589	53,023	603	250,023

11. Corporate Debentures & Public Corporation Bonds

(In million yen)

(Industrial Bank of Japan)

End of Month	Banking Bonds			Corporate Debentures			Total			Public Corporation Bonds		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1960: Feb.	33,087	15,656	857,853	14,750	4,168	560,919	55,218	20,217	1,691,234	7,380	392	272,462
Mar.	33,875	20,143	871,584	19,213	6,352	573,780	60,821	28,289	1,723,766	7,732	1,793	278,400
Apr.	35,277	16,546	890,315	16,620	5,501	584,905	57,075	22,496	1,758,351	5,178	448	283,130
May	35,089	16,798	908,606	16,055	5,224	595,733	66,149	22,324	1,802,174	15,005	301	297,834
June	35,795	16,546	927,855	16,350	5,219	606,872	65,790	21,806	1,846,168	13,645	39	311,440
July	37,376	17,700	947,531	17,079	5,202	618,763	66,556	23,383	1,889,354	12,100	480	323,059
1959: July	27,283	12,740	735,868	14,360	3,073	480,311	47,965	15,960	1,443,639	6,322	146	227,459

12. Contracts & Investments of Mutual Life Insurance Companies

(In million yen)

(Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1960: February	175,145	5,490,745	351,650	5,619	146,289	11,531	132,685	50,974	3,673	8,461
March	286,211	5,631,368	361,046	6,121	148,885	11,731	134,981	51,288	9,031	6,259
April	157,702	5,696,301	367,410	6,141	150,537	11,868	136,250	52,781	3,903	8,056
May	193,107	5,778,347	375,501	8,349	152,038	12,204	137,407	54,215	4,223	8,168
1959: May	155,189	4,608,653	285,832	9,594	120,831	8,771	109,916	39,874	4,082	6,971

13. Contracts & Investments of Non-Life Insurance Companies

(In million yen)

(Non-Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Deposits	Cash	Asset Total (Inc. Others)
					Total	Debentures	Stocks				
1960: February	2,228,578	12,966,755	23,869	4,319	75,765	4,364	66,175	18,675	30,996	494	178,305
March	2,333,582	12,923,140	23,474	1,983	76,225	4,326	66,808	18,218	33,125	384	175,785
April	2,313,530	12,985,489	24,539	2,563	77,391	4,214	67,778	18,365	30,585	462	177,143
May	2,437,882	13,288,012	24,607	2,532	78,294	4,378	68,553	18,488	31,259	382	178,916
1959: May	1,898,435	11,259,133	22,040	6,260	65,313	3,219	57,452	17,229	29,992	618	160,948

14. Stock Issue Plan & Paid-Up Capital

(In million yen)

(Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million		Under ¥50 million		Total		Over ¥50 million		Under ¥50 million		Total	
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1960: January	44	22,753	314	6,301	358	29,054	26	30,017	230	4,336	256	34,353
February	58	31,757	427	8,391	485	40,149	53	55,491	167	3,387	220	58,877
March	47	22,830	452	8,826	499	40,390	42	30,962	424	7,999	466	38,962
April	43	21,812	365	7,868	409	29,680	75	46,407	442	11,195	517	57,617
May	33	19,541	390	7,907	423	27,448	36	14,841	360	8,099	396	22,940
June	51	35,415	438	9,057	489	44,471	38	13,076	421	7,862	459	20,938
July	51	54,347	343	5,497	394	59,845	50	32,263	415	6,725	465	38,989
1959: July	28	30,317	391	10,253	419	40,570	28	18,081	391	7,044	419	25,125

15. Tokyo Wholesale Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Metal & Machinery	Textiles	Agricultural Products	Fuels	Building Materials	Chemical Products	Sundries	By Uses		
									Producers' Goods	Capital Goods	Consumer's Goods
1960: April	100.9	100.5	76.0	108.8	108.5	131.5	80.3	91.2	99.5	114.5	102.9
May	100.8	100.1	75.1	108.4	108.6	130.8	80.3	91.5	99.1	114.1	103.1
June	100.7	99.4	74.0	110.0	108.9	130.6	80.2	91.2	98.7	113.8	103.2
July	100.6	99.1	74.2	110.1	108.5	131.1	80.1	90.6	98.5	113.7	103.3
August	101.0	98.5	75.2	111.3	108.3	132.3	80.2	90.0	98.5	113.7	104.4
1959: August	99.6	100.2	77.8	107.0	103.3	128.5	78.2	91.1	99.1	113.1	100.3

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bonds and Telephone & Telegraph Corporation Bonds. * Revised at source.

16. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1960: March	104.8	113.6	86.6	95.0	106.5	127.9	97.0	101.6	31,490.7
April	106.0	116.1	86.7	94.4	106.8	125.9	97.0	101.5	31,851.3
May	105.4	115.0	86.4	94.1	106.8	124.7	97.3	101.4	31,671.0
June	105.5	115.5	86.7	93.7	106.2	124.4	96.7	101.6	31,701.1
July	105.5	115.8	86.2	93.7	106.2	123.5	96.3	101.8	31,701.1
August	108.1	120.7	86.2	93.7	105.4	124.5	96.6	102.3	32,482.3
1959: August	102.2	111.1	82.3	93.8	104.8	121.4	96.5	99.9	31,400.6

17. Consumer Price Indices

(1955=100)

(Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Housing	Light & Fuel	Clothing	Miscellaneous
All Cities	1960: February	106.3	103.9	100.3	104.6	125.6	112.4	96.4	109.9
	March	105.8	102.9	100.4	104.4	125.9	112.2	96.4	110.1
	April	106.5	103.8	100.3	105.9	126.3	111.5	96.3	111.2
	May	106.8	104.2	100.4	106.5	126.5	110.9	97.2	111.4
	June	108.0	106.5	100.5	110.1	127.0	110.6	96.6	111.5
	July	108.3	106.7	101.0	110.2	128.0	110.8	96.8	111.8
	1959: July	103.8	101.2	101.0	101.3	120.8	104.7	94.8	109.2
Tokyo	1960: February	108.9	106.3	104.0	107.4	130.8	108.9	102.8	111.0
	March	108.3	105.4	104.4	105.9	131.1	108.6	100.9	111.4
	April	108.9	105.5	104.5	106.0	131.2	108.1	100.4	113.5
	May	109.8	107.7	104.4	109.2	130.8	107.9	99.7	113.5
	June	110.5	108.8	104.6	111.0	131.4	107.7	99.6	113.5
	July	110.6	108.9	105.0	110.7	133.3	107.7	98.6	114.1
	August	112.2	111.6	108.6	113.1	133.5	107.7	98.6	114.8
	1959: August	107.1	106.4	104.4	107.3	126.6	101.1	97.6	109.1

18. Labor Population Survey

(In 10,000)

(Labor Ministry)

Year & Month	Total Population	Population 15 years old and over					
		Total 1)	Labor Force				Not in Labor Force
			Total of the follow- ing three columns	Agricul- ture & Forestry	Non-Agricul- tural Industries	Totally Unem- ployed	
1960: February	9,334	6,536	4,202	1,292	2,910	51	2,275
March	9,341	6,545	4,331	1,390	2,940	72	2,130
April	9,348	6,553	4,488	1,513	2,974	47	2,012
May	9,355	6,558	4,613	1,684	2,928	42	1,896
June	9,361	6,563	4,599	1,666	2,953	41	1,913
July	9,367	6,570	4,598	1,579	3,017	40	1,916
1959: July	9,283	6,468	4,489	1,625	2,864	58	1,912

19. Labor Disputes & No. of Participants

(1,000 Participants)

(Labor Ministry)

Year & Month	Dispute Total		Accompanied by Disputes							
	No. of Cases	No. of New Occurrences	Total Strikes				Work Slowdown		Business Control	
			No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants
1959: December	511	(258)	294	285	191	159	133	147	1	30
1960: January	214	(52)	51	64	32	22	21	42	—	—
February	264	(100)	129	62	76	31	66	32	—	39
March	401	(189)	210	218	133	95	110	150	—	—
April	437	(231)	298	345	224	239	133	169	—	—
May	358	(156)	203	241	70	39	142	210	1	54
June	360	(277)	272	944	123	262	204	848	1	54
1959: June	283	(187)	170	208	131	14	61	136	2	100

20. Industrial Production Indices

(1955=100)

(Statistics Bureau, MITI)

Year & Month	Composite	Public Utilities	Mining-Manufacturing	Mining	Manufacturing	Iron & Steel	Non-ferrous Metals	Machinery	Ceramics	Chemicals	Oil & Coal	Rubber	Hides & Leathers	Paper & Pulp	Textiles
1959: Dec.	▲160.9	▲180.2	▲191.3	▲124.3	▲193.1	▲204.0	▲197.7	▲362.8	▲185.0	▲181.5	▲244.9	▲224.4	▲118.9	▲181.6	▲154.6
1960: Jan.	192.4	170.3	194.1	116.7	200.6	189.0	195.2	339.3	164.8	177.4	243.1	204.6	105.6	166.7	145.1
Feb.	215.0	164.5	218.9	121.3	227.1	195.6	201.5	395.0	178.9	183.7	248.1	229.1	120.4	173.1	156.9
Mar.	230.3	180.3	234.2	130.4	242.9	211.5	218.3	419.6	293.4	199.2	278.5	245.7	131.7	189.5	158.2
Apr.	216.3	179.6	219.2	124.9	▲227.1	216.5	212.9	423.8	200.4	200.1	260.5	243.5	131.4	180.4	160.7
May	217.4	183.5	220.0	124.3	228.0	222.2	200.9	425.9	199.4	198.3	260.9	240.3	137.6	182.8	161.1
June	▲220.4	▲178.4	▲223.7	▲123.6	▲232.1	▲221.5	▲223.3	▲443.0	▲192.5	▲189.3	▲265.9	▲248.9	▲144.8	▲187.3	▲166.4
July	222.4	186.4	225.2	127.6	233.4	223.2	225.6	446.7	195.4	188.6	252.5	255.8	142.7	191.8	163.3
1959: July	179.9	161.6	181.3	119.7	186.5	179.7	175.3	315.7	158.1	171.8	190.5	200.5	126.0	166.1	141.1

Notes: * except perishable vegetables. Figures in parentheses in Table 20 are the numbers of companies surveyed. ▲ Revised. ¹⁾ 15 years and over.

21. Production by Major Items

Items	In	1960			Items	In	1960		
		May	June	July			May	June	July
Energies									
Electricity	Mil. KWH	8,212	8,008	8,304	Thrasher	Units	19,455	23,291	26,657
Coal	1,000 Tons	4,148	4,096	4,257	Hulling Machine	"	5,299	5,165	7,345
Cokes	Tons	1,008,999	971,840	1,000,062	Rice-Wheat Cleaning Machine	"	5,125	6,168	7,863
Gas (city use)	1,000 CM	349,802	323,461	313,431	Alternating Current Motor	KW	446,839	487,271	476,891
Crude Oil	KI	45,918	47,243	50,000	Mercury Rectifier	"	30,926	43,560	18,940
Natural Gas	1,000 CM	54,589	52,681	58,305	Transformer	1,000 KVA	1,814	2,559	2,182
Gasoline	KI	495,238	488,867	437,172	Electric Fan	Units	189,445	204,810	176,369
Petroleum	"	1,322,607	1,403,138	1,298,474	Electric Washer	"	123,151	138,437	132,220
Lubricants	"	51,833	55,270	54,084	Electric Refrigerator	"	77,442	85,266	81,251
Kerosene	"	169,765	167,148	156,930	Telephone	"	101,115	106,115	113,540
Light Oil	"	187,380	195,840	191,065	Automatic Switchboard	Circuits	65,550	71,914	72,820
Minerals					Radio Set	1,000 Sets	1,083	1,065	1,043
Gold Ores	KG	526	685	722	Television Set	Sets	288,498	291,105	280,869
Silver Ores	"	15	17	18	Electric Tube for Receiving	1,000 Pcs.	12,933	14,073	13,088
Copper Ores	Tons	7,296	7,112	7,300	Industrial Meter	Units	12,577	12,881	13,965
Lead Ores	"	3,058	3,232	3,276	Electric Bulb	1,000 Pcs.	12,558	13,521	13,003
Zinc Ores	"	12,249	12,787	13,494	Special Electric Bulb	"	10,405	10,768	10,047
Sulphuric Iron	1,000 Tons	296	294	294	Passenger Car	Units	11,320	12,852	14,323
Iron Ores	Tons	94,357	117,787	121,068	Bus	"	498	577	597
Sulphur	"	21,471	20,169	20,565	Small Four-wheeler Chassis	"	17,817	19,099	19,629
Lime Stone	1,000 Tons	3,221	3,222	3,218	Truck Chassis	"	7,193	7,428	7,533
Non-ferrous Metals					Three-wheel Truck	"	22,904	24,860	25,270
Electric Gold	KG	504	943	944	Motorcycle	"	12,243	12,946	13,377
Electric Silver	"	20,264	28,726	28,326	Bicycle	"	302,747	282,602	261,000
Electric Copper	Tons	16,399	21,156	21,327	Watch	1,000 Pcs.	1,081	1,181	1,135
Lead	"	5,521	6,153	6,551	Camera	Pcs.	147,089	147,830	150,000
Zinc	"	10,866	15,092	15,645	Binoculars	"	100,817	135,588	126,000
Electric Tin	KG	71,330	117,022	121,728	Textiles				
Quick Silver	"	117,881	129,183	84,825	Rayon Yarn	Tons	12,070	11,863	12,116
Aluminium	Tons	11,160	11,412	11,881	Rayon Staple	"	24,411	24,702	23,941
Rolled Aluminium	"	9,446	9,323	9,839	Synthetic Textile	"	10,190	9,823	9,899
Rolled Copper	"	21,983	22,372	21,500	Vinylon	"	1,782	1,854	1,941
Electric Cables	"	18,696	19,196	18,412	Nylon	"	3,459	3,284	3,286
Iron & Steel					Cotton Yarn	"	45,199	48,009	45,636
Pig Iron	Tons	993,721	963,950	1,014,595	Woollen Yarn	"	11,684	11,949	11,209
Ferro-alloys	"	50,507	43,047	43,024	Best Fibre Yarn	"	5,182	5,956	5,743
Steel	"	1,835,397	1,777,292	1,834,552	Rayon Staple Yarn	"	17,008	17,853	17,156
Open Hearth Steel	"	1,266,263	1,232,930	1,252,887	Synthetic Fibre Yarn	"	9,341	9,648	9,343
Converter Steel	"	208,291	179,400	213,405	Cotton Textile	1,000 sq. m.	268,867	228,796	270,529
Electric Furnace Steel	"	360,843	351,962	368,260	Woollen Textile	"	24,780	26,295	26,697
Forged Steel	"	23,580	23,108	22,749	Silk Textile	"	19,467	19,248	18,177
Cast Steel	"	29,621	30,802	30,150	Best Fibre Textile	"	9,518	9,464	8,625
Hot Rolled Steel Materials	"	1,308,386	1,302,362	1,307,785	Rayon Textile	"	63,043	64,613	64,444
Steel Shape (medium)	"	36,490	35,132	37,349	Rayon Staple Textile	"	91,435	90,078	39,960
Steel Bars (small)	"	14,653	15,265	15,921	Synthetic Fibre Textile	"	31,592	35,120	36,247
Wire Rod	"	83,231	80,188	72,492	Paper & Pulp				
Steel Sheet (thick)	"	211,100	202,196	220,082	Pulp	Tons	285,511	292,686	302,678
Steel Sheet (thin)	"	62,554	64,026	59,761	Western-Style Paper	"	201,392	204,975	209,701
Steel Band (wire)	"	302,570	256,081	301,265	Hard Board	"	132,186	136,598	139,475
Rolled Special Steel Materials	"	93,169	90,705	94,658	Chemicals				
Steel Tube	"	97,660	97,905	98,535	Ammonium Sulphate	Tons	207,437	191,742	182,298
Cold Rolled Steel Sheet	"	170,747	167,004	173,813	Superphosphate of Lime	"	211,200	146,907	134,303
Galvanized Steel Sheet	"	75,131	70,107	76,031	Carbide	"	153,155	122,905	120,252
White Sheet	"	38,188	36,322	39,195	Chemical Fertilizer	"	218,855	159,393	160,302
Machinery & Machine Tools					Calcium Cyanamide	"	41,350	31,984	25,690
Steam Boiler	T/H	1,482	488	540	Urea	"	57,638	37,176	35,403
Steam Turbine	KW	77,400	31,600	17,154	Sulphuric Acid	"	381,884	360,065	344,195
Water Turbine	"	32,030	116,200	105,300	Caustic Soda	"	73,350	73,068	74,177
Gasoline Engine	"	71,022	80,631	90,100	Soda Ash	"	42,835	44,406	42,842
Oil Burners	"	38,188	36,322	39,195	Soap	"	29,847	30,145	31,500
Diesel Engines	"	91,797	97,290	101,794	Paint	"	25,904	26,334	27,100
Bearings	Tons	2,614	2,591	2,798	Film	1,000 sq. m.	765	1,065	1,062
Transmitter	"	1,191	1,226	1,208	Cement & Ceramics				
Machine Tools	"	4,437	4,133	4,376	Cement	1,000 Tons	1,894	1,761	1,786
Rolling Machine	"	10,043	11,523	11,155	Sheet Glass	1,000 Boxes	934	958	1,003
Crane	"	2,457	2,603	2,698	Porcelain & Ceramics	Tons	61,234	62,643	65,698
Winches	"	1,342	1,588	1,390	Glass Products	"	45,329	44,144	43,280
Conveyor	"	2,889	4,925	3,915	Fire Brick	"	127,890	126,123	125,260
Pump	"	3,180	3,507	3,530	Miscellaneous				
Refrigerator	"	1,170	1,370	1,337	Automobile Tire	Tons	6,170	6,594	6,904
Spinning Machine	Units	1,198	1,209	1,174	Leather	"	7,990	7,437	7,437
Weaving Machine	"	3,522	4,466	3,886	Match tons	Match tons	39,219	40,641	40,688
Sewing Machine	1,000 Units	211	234	231	Pencil	1,000 Gross	754	728	719
Cultivator	Units	7,850	8,170	8,448	Metal Toy	1,000 Dz.	1,579	1,594	1,543
Hand Tractor	"	15,639	12,485	11,811					

Note: ▲ Provisional figures. ▲ Revised.

22. Machinery Orders (In million yen) (Economic Planning Board)

Items	1960							1959
	Jan.	Feb.	Mar.	Apr.	May	June	July	July
By Products								
Prime Movers	15,963	8,082	19,693	7,220	6,923	14,555	21,206	4,419
Heavy Electric Machinery	15,718	17,208	16,975	18,166	16,335	20,872	17,666	12,131
Communication Apparatus	3,965	3,245	5,305	8,444	3,843	5,915	8,117	4,088
Industrial Machinery	24,964	30,090	33,698	29,434	28,515	37,071	30,285	25,576
Machine Tools	2,715	3,836	4,269	4,288	3,761	4,783	3,900	2,158
Rolling Stocks	2,303	2,864	2,061	2,089	2,332	3,846	8,952	11,825
Ships	5,172	6,923	18,883	5,636	12,253	6,848	7,135	11,505
Total of the Above	70,800	72,248	100,884	▲75,277	73,962	93,899	97,261	71,702
Iron & Steel Frames	1,524	3,873	7,982	5,195	3,452	2,457	3,724	1,905
Bearings	2,500	2,722	2,850	2,837	2,787	2,810	3,006	2,369
Electric Wires & Cables	9,568	13,762	12,604	9,185	10,618	11,215	12,259	7,500
Total	13,592	20,357	23,436	17,217	16,857	16,482	16,989	11,774
By Customers								
Foreign Sources	4,031	5,539	13,082	5,258	7,716	7,832	7,130	7,949
Government	7,043	5,219	5,661	9,346	6,166	8,648	30,606	15,635
Private	53,300	53,871	73,002	▲51,268	51,561	68,047	50,837	41,937
Manufacturing	24,092	31,527	33,234	29,893	30,319	39,793	30,535	24,644
Textiles	3,001	3,149	3,122	3,494	2,907	3,520	2,520	4,574
Chemicals	6,088	7,756	10,535	8,886	9,123	11,569	9,674	6,841
Iron & Steel	8,072	11,329	9,721	7,139	9,457	14,916	9,573	7,815
Machinery	3,540	5,206	5,377	6,080	5,035	5,837	4,945	2,871
Shipbuilding	206	410	317	357	340	144	331	170
Others	3,185	3,677	4,162	3,937	3,457	3,807	3,492	2,373
Non-Manufacturing	29,208	22,344	39,768	21,375	21,242	28,254	20,302	17,293
Transportation	3,700	5,274	10,113	3,173	7,639	4,495	2,062	6,548
Electric Power	17,921	5,967	17,470	6,546	3,560	13,990	5,540	3,497
Coal Mining	576	637	638	1,092	929	593	1,017	691
Agriculture, Forestry, Fishery	2,204	2,580	3,165	2,921	2,578	2,630	4,335	1,599
Others	4,807	7,886	8,382	7,643	6,536	6,546	7,348	4,958
Sales Agents	2,565	2,996	3,411	3,736	3,390	3,623	3,308	2,535
Total Orders	66,939	67,625	95,156	69,608	68,833	88,150	91,881	68,056
Orders Outstanding	783,359	776,247	786,940	777,171	776,453	801,708	829,465	721,730
Sales Total	52,073	76,231	92,062	66,820	72,307	71,921	69,681	50,865

23. Total Power Generation & Consumption (10⁶ KWH) (MITI)

Items	1959					1960					1959
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	May
Total Power Generation	7,992	7,979	8,390	8,239	8,872	8,477	8,146	9,093	9,104	..	8,055
Hydraulic Power	5,562	5,080	5,465	4,678	4,598	4,456	3,585	4,412	5,537	..	6,355
Thermal Power	2,430	2,999	2,925	3,561	4,274	4,021	4,561	4,682	3,567	..	1,700
Generation by Electric Industries	7,023	6,966	7,340	7,198	7,795	7,436	7,199	7,974	7,975	..	7,018
Hydraulic Power	5,084	4,584	4,973	4,219	4,138	4,042	3,240	3,977	5,003	..	5,787
Thermal Power	1,939	2,382	2,367	2,979	3,656	3,394	3,959	3,996	2,972	..	1,231
Generation by Power Companies	6,224	6,273	6,537	6,537	7,127	6,755	6,659	7,435	▲7,262	▲7,297	6,151
Hydraulic Power	4,353	3,968	4,253	3,635	3,574	3,463	2,827	3,564	▲4,353	▲4,915	4,940
Thermal Power	1,871	2,304	2,284	2,902	3,553	3,293	3,832	3,871	▲2,910	▲2,381	1,211
Power from other Sources	791	695	792	657	657	649	504	▲507	▲713	▲914	885
National Railways & Household Use	969	1,013	1,050	1,041	1,077	1,041	947	1,119	1,128	..	1,037
Hydraulic Power	478	495	492	459	459	414	345	434	534	..	568
Thermal Power	491	517	558	582	618	626	602	685	594	..	469

24. Coal Supply & Demand (1,000 metric tons) (MITI)

Year & Month	Production	Stock Deliveries			Deliveries			Others	Home Consumption	Month-end Stocks		
		Coal Dealers	Large User Factories	Adjustment	Total	Deliveries	of which Exports			Total	Coal Dealers	Large User Factories
1960: February	4,032	354	455	2	4,749	4,809	4	60	5,200	7,388	2,557	4,831
March	4,345	000	227	9	4,708	4,986	4	289	4,931	6,807	2,203	4,604
April	4,199	36	24	6	4,157	4,329	2	165	4,131	6,867	2,239	4,628
May	4,148	39	416	9	4,178	4,348	0	170	3,762	7,244	2,200	5,044
June	4,096	93	145	7	4,010	4,183	1	173	3,864	▲7,482	2,293	▲5,189
July	4,257	82	218	2	4,177	4,373	0	196	3,959	7,782	2,375	5,407
1959: July	4,006	126	167	54	3,826	3,872	5	46	3,654	12,218	5,820	6,398

25. Supply & Demand of Pig-iron and Steel Materials (In tons) (MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: December	898,399	147,249	392,975	1,177,603	887,516	379,495	86,889	69,920	32,965
1960: January	899,917	135,332	362,844	1,170,669	801,927	424,722	87,792	69,819	32,723
February	809,568	132,568	326,219	1,244,437	892,571	432,113	96,387	74,905	35,717
March	866,919	152,317	228,021	1,317,713	947,226	446,698	98,548	77,652	37,249
April	943,057	138,720	226,145	1,296,696	927,810	461,909	93,721	72,047	38,327
May	993,721	141,049	248,978	1,308,386	935,338	472,542	93,169	71,559	39,275
1959: May	795,051	137,127	340,625	1,044,196	745,450	324,224	66,941	54,085	29,487

Notes: 80 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines. ▲ Revised at source.

26. Supply & Demand of Textile Goods (In tons for years; 1,000 sq. m. for textile) (MITI)

Year & Month	Cotton Yarn			Rayon Yarn			Staple Fiber Yarn			Cotton Textiles		
	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory
1959: Nov. . . .	44,173	23,362	23,480	10,261	6,664	14,079	17,873	14,523	10,047	244,638	245,166	404,691
Dec. . . .	43,970	28,267	25,094	10,521	7,286	13,019	18,464	15,330	10,365	253,212	253,695	405,413
1960: Jan. . . .	40,682	26,248	26,286	11,066	6,674	13,475	16,814	13,968	10,256	238,406	235,496	416,939
Feb. . . .	45,978	30,084	27,955	10,858	6,630	14,143	17,922	14,665	10,455	261,373	262,028	432,511
Mar. . . .	43,568	28,451	27,113	11,515	7,740	13,518	17,899	14,576	11,306	255,324	256,237	447,246
Apr. . . .	45,014	27,627	29,750	11,671	7,163	13,356	17,561	15,083	11,618	264,598	262,932	462,195
May	44,588	28,502	29,750	12,070	7,701	13,742	17,561	14,715	12,288	268,867	269,931	483,593
1959: May . . .	35,693	22,851	19,841	9,545	6,137	12,411	15,592	14,008	10,607	226,056	231,012	467,742

27. Supply & Demand of Paper and Pulp (MITI)

Year & Month	Pulp (long ton)				Paper, Western Style (in ton)				Cardboard & Japanese Style Paper (in ton)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1959: Nov. . . .	272,931	158,957	116,571	69,367	189,693	180,574	6,813	82,024	345,077	325,288	15,159	114,123
Dec. . . .	282,101	164,457	115,214	71,779	196,352	186,527	7,019	84,830	356,894	339,113	15,893	116,011
1960: Jan. . . .	263,113	154,352	108,489	72,051	181,500	171,521	6,476	88,330	332,999	308,118	14,041	126,251
Feb. . . .	271,575	158,384	113,914	71,378	189,283	176,339	6,859	94,418	345,829	316,187	15,038	140,855
Mar. . . .	295,556	174,681	121,929	70,324	208,601	198,406	7,172	97,441	377,729	349,217	16,051	153,385
Apr. . . .	280,999	169,095	112,727	69,501	199,237	185,808	7,520	103,350	365,281	337,208	17,184	164,274
May	285,511	173,793	110,180	71,039	201,192	191,011	7,514	106,017	364,994	344,162	16,437	168,669
June	292,686	177,961	119,116	66,648	204,975	195,139	7,072	108,781	373,494	350,766	16,519	174,878
1959: June . . .	245,927	146,607	100,500	62,231	181,527	172,518	5,839	54,340	316,483	298,375	13,594	79,643

28. Supply & Demand of Soda and Ammonium Sulphate (In metric tons) (MITI)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: November	195,225	163,285	366,452	39,430	39,094	8,750	69,639	57,319	23,445
December	195,632	181,016	370,263	40,868	40,138	7,885	69,782	60,070	22,203
1960: January	214,277	204,339	370,856	42,655	39,165	9,522	68,865	55,800	24,494
February	191,477	260,348	292,212	40,916	39,884	8,847	65,168	57,741	21,948
March	209,603	324,539	164,798	42,714	40,260	19,429	72,368	60,904	21,258
April	194,914	204,009	142,157	43,590	39,959	1,248	72,346	56,680	25,118
May	207,437	177,293	159,945	42,835	44,092	18,183	73,350	59,988	26,165
June	191,742	180,449	160,212	44,406	39,311	1,485	73,068	59,325	28,274
July	182,282	136,976	192,730	42,842	41,183	11,381	75,092	60,767	29,824
1959: July	235,767	176,484	312,187	36,467	33,572	9,153	62,817	50,154	50,023

29. Supply & Demand of Cement & Sheet Glass (MITI)

Year & Month	Cement(In 1,000 tons)				Sheet Glass (In 1,000 boxes)				
	Production	Consumption	Sales	Inventories at Month-end	Production	Consumption	Sales Exports Domestic	Total	Inventories
1959: Dec. . . .	1,710.1	7.2	1,717.0	291.4	1,089.4	131.3	151.0	853.0	577.6
1960: Jan. . . .	1,422.7	4.1	1,381.5	328.2	1,095.1	118.7	156.7	611.2	786.8
Feb. . . .	1,623.9	6.1	1,629.9	315.6	1,015.2	116.3	165.7	572.1	961.1
Mar. . . .	1,968.2	9.6	1,965.8	309.8	1,043.0	122.3	157.5	655.3	1,075.3
Apr. . . .	1,954.1	9.6	1,897.5	356.2	902.5	147.3	139.3	637.6	105.8
May	1,893.5	8.1	1,800.1	441.0	934.2	135.7	138.7	682.3	1,043.0
June	1,761.0	8.1	1,713.6	479.7	957.6	130.1	141.4	680.3	1,060.1
1959: June . . .	1,401.3	8.4	1,408.5	431.7	802.0	81.1	157.6	605.4	649.7

30. Supply & Demand of Rubber & Vinyl Chloride Products (In tons) (MITI)

Year & Month	Rubber Goods					Vinyl Chloride Products				
	Production (A)	Sales (B)	Inventories at Month-end (C)	Delivery Rates (B/A)	Inventory Rates (C/A)	Production (A)	Sales (B)	Inventories Rates (C)	Delivery Rates (B/A)	Inventory Rates (C/A)
1959: Dec. . . .	17,003	17,866	5,913	105	35	14,891	14,865	6,956	100	47
1960: Jan. . . .	15,501	15,517	6,163	100	40	13,762	13,516	6,847	98	50
Feb. . . .	17,213	16,835	6,940	98	40	15,190	14,961	7,109	99	47
Mar. . . .	18,470	18,208	7,589	99	41	16,131	15,698	7,530	97	47
Apr. . . .	18,409	18,512	7,937	101	43	15,858	15,212	8,125	96	51
May	18,225	17,819	8,548	98	47	15,134	14,749	8,495	97	56
June	19,235	18,816	9,273	98	48	15,617	14,753	9,274	94	59
1959: June . . .	14,701	14,918	6,145	102	42	11,227	10,619	5,962	95	53

31. Department Store Sales (In million yen) (MITI)

By Month	No. of Stores	Total	Clothing	Personal Effects	Sundry	Household Utensils	Provisions	Restaurant	Services	Outside Store Sales	Others	Gift Certificates
1960: Jan. . . .	223	26,152	12,153	1,838	3,287	2,956	4,375	1,003	212	15	312	281
Feb. . . .	223	26,005	12,057	1,746	3,363	3,179	14,173	937	211	17	323	329
Mar. . . .	224	35,566	17,061	2,857	4,391	4,263	5,046	1,226	275	16	433	538
Apr. . . .	223	34,713	15,674	2,904	4,545	4,691	4,997	1,217	279	23	384	388
May	222	31,646	14,390	2,654	3,584	4,508	4,684	1,157	265	25	379	289
June	222	32,312	15,429	2,664	3,395	4,575	4,482	1,075	223	25	444	330
July	222	48,171	21,310	3,485	4,803	6,102	10,216	1,411	228	26	590	1,263
1959: July . . .	211	38,667	17,167	2,895	4,841	4,793	8,114	1,162	198	19	478	1,037

Notes: ▲ Revised at source.
Rates of conversion: 1,000 lb.=0.45359 tons for yarns; 1,000 sq. yds.=0.83613 sq. m. for textiles; 1 lb.=0.45359 kg. for papers.

32. Letters of Credit Opened and Received

(In \$1,000) (Ministry of Finance)

Year & Month	Exports				Imports			
	Total	Convertible Currency		Open Account	Total	Convertible Currency		Open Account
		Total	Yen			Total	Yen	
1959: October	263,530	259,077	—	4,452	222,500	214,707	—	7,792
November	256,293	251,723	—	4,569	228,882	221,377	—	7,505
December	294,255	285,643	—	8,611	294,053	284,596	—	9,456
1960: January	254,702	248,228	—	6,473	213,315	205,690	—	7,625
February	259,483	255,084	—	4,398	235,830	233,133	—	2,696
March	330,965	323,362	—	7,602	263,989	249,729	—	14,259
April	252,312	244,777	—	7,534	220,254	209,319	—	10,934
May	285,598	278,528	—	7,069	228,684	221,329	—	7,354
June	297,196	288,946	—	8,249	245,597	238,356	—	7,241
July	284,217	279,512	159	4,704	222,317	215,938	—	6,378
August	310,193	304,004	235	6,189	201,823	196,688	14	5,135
1959: August	260,242	248,415	—	11,826	190,424	189,214	—	1,209

33. Exports and Imports by Value

(Ministry of Finance)

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports		Exports	Imports	
		Total	Balance		Total	Balance
1959: December	394,276	372,826	21,449	▲141,939	134,217	7,722
1960: January	▲217,708	▲330,670	▲112,962	▲78,375	▲119,041	▲40,666
February	▲318,149	▲363,913	▲45,764	▲114,534	▲131,009	▲16,475
March	▲348,884	▲435,165	▲86,281	▲125,598	▲156,659	▲31,061
April	▲310,730	355,006	▲44,275	▲111,863	127,802	▲15,939
May	▲311,345	384,953	▲73,609	▲112,084	138,583	▲26,499
June	▲337,283	372,140	▲34,857	▲121,422	133,970	▲12,549
July	▲339,819	379,294	▲39,475	▲122,335	136,546	▲14,211
August	341,789	368,850	▲27,061	123,044	132,786	▲9,742
1959: August	301,479	290,291	11,188	108,533	104,505	4,028

34. Value of Export and Import by Economic Classification

(In \$1,000) (Ministry of Finance)

	Year & Month	Total		Foodstuffs		Crude Materials		Fabricated Basic Material		Finished		Others	
		Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Export	1960: February	▲318,149	100.0	19,325	6.1	8,305	2.6	▲56,809	17.8	▲232,522	73.1	1,188	0.4
	March	▲348,884	100.0	19,391	5.5	▲10,208	3.0	▲84,758	24.2	▲232,666	66.8	▲1,861	0.5
	April	▲310,730	100.0	▲17,709	5.7	▲8,075	2.6	60,095	19.3	▲223,792	72.0	1,059	0.4
	May	▲311,345	100.0	16,052	5.2	9,069	2.9	▲63,501	20.4	222,097	71.3	661	0.2
	June	337,283	100.0	23,179	6.9	10,175	3.0	68,150	20.2	235,094	69.7	685	0.2
	1959: June	272,716	100.0	14,301	5.2	7,844	2.9	44,914	16.5	204,793	75.1	864	0.3
Import	1960: February	▲363,913	100.0	45,422	12.5	219,775	60.4	▲45,781	12.6	▲52,482	14.4	▲514	0.1
	March	▲435,165	100.0	63,113	14.5	▲255,370	58.7	▲48,540	11.1	▲67,479	15.5	660	0.2
	April	355,005	100.0	42,480	12.0	212,840	59.9	48,350	13.6	50,675	14.3	660	0.2
	May	384,953	100.0	53,923	14.0	225,416	58.6	52,760	13.7	52,313	13.6	541	0.1
	June	372,140	100.0	42,346	11.4	230,121	61.8	46,259	12.4	52,865	14.2	549	0.2
	1959: June	325,178	100.0	55,745	17.2	184,357	56.7	31,531	9.7	53,095	16.3	430	0.1

35. Exports and Imports by Continents*

(\$1,000; Customs Bureau, Finance Ministry)

	Year & Month	'58, Total		'59, Total		'60 Jan.		Feb.		Mar.		Apr.		May		June		'59 June	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Exports	Total	2,876,560		3,456,492		217,731		▲318,149		▲348,884		▲310,750		▲311,345		337,283		272,716	
	Asia	1,074,322		1,165,705		69,252		▲111,516		▲115,774		▲109,371		▲112,341		121,580		90,484	
	S.E. Asia	649,520		754,256		48,054		▲78,488		▲74,278		▲71,602		70,282		73,744		53,756	
	Europe	333,301		374,970		28,323		▲32,881		▲64,647		▲38,245		▲25,982		38,355		23,041	
	N. America	848,456		1,246,253		81,578		▲117,030		114,067		▲112,707		▲114,735		110,645		114,098	
	S. America	114,982		141,675		14,744		11,800		10,345		16,780		20,665		18,180		9,200	
	Africa	415,511		409,891		17,287		33,262		31,387		21,042		22,161		30,908		26,118	
	Oceania	89,771		117,897		6,505		11,509		▲12,590		▲12,500		▲15,423		17,539		9,775	
Imports	Total	3,033,125		3,599,491		289,728		▲363,913		▲435,165		355,005		384,953		372,140		325,178	
	Asia	982,448		1,168,853		100,323		▲111,944		▲137,690		114,834		▲122,583		118,463		109,019	
	S.E. Asia	427,073		579,164		48,534		61,044		▲64,749		61,358		64,607		55,801		56,019	
	Europe	268,654		364,599		27,498		▲35,987		▲41,300		39,424		▲36,836		35,496		34,747	
	N. America	1,356,682		1,488,878		107,203		160,126		▲191,734		▲144,567		▲166,391		151,276		137,238	
	S. America	80,687		108,380		10,360		8,537		9,445		10,111		11,679		12,049		5,608	
	Africa	83,737		128,295		12,487		19,370		17,825		15,704		14,593		19,591		11,100	
	Oceania	206,801		340,266		31,838		27,798		37,159		30,355		32,858		35,650		27,460	

36. Foreign Exchange Receipts and Payments by Month

(In Million Dollars)

(Bank of Japan)

(Bank of Japan)													
Year & Month	Current Transactions					Overall Balance*	Year & Month	Current Transactions					Overall Balance*
	Receipts		Payments		Balance			Receipts		Payments		Balance	
	Total	Exports	Total	Imports				Total	Exports	Total	Imports		
1959: Total . . .	3,913	3,280	3,561	3,007	352	461	1959: Oct.	361	307	292	250	69	41
1959: Feb.	283	241	252	212	31	70	Nov.	343	289	309	362	36	41
Mar.	325	274	285	243	40	36	Dec.	385	320	379	309	6	30
Apr.	280	235	280	246	0	35	1960: Jan.	310	261	339	293	29	6
May	302	253	313	265	11	64	Feb.	329	280	350	294	21	7
June	349	286	314	261	35	32	Mar.	394	335	390	337	4	31
July	338	284	302	256	36	20	Apr.	330	278	338	288	9	22
Aug.	333	279	289	244	44	20	May	379	317	387	323	8	34
Sept.	350	295	302	252	48	28	June	370	308	386	319	16	35
							July	389	328	388	326	1	48

Note: The Method of Tabulation was changed in April 1960.

* include "Capital Transactions."

37. Exports and Imports by Country

(In 1,000 dollars)

(Ministry of Finance)

Countries	Exports					Imports				
	Feb. 1960	Mar. 1960	Apr. 1960	May 1960	June 1960	Feb. 1960	Mar. 1960	Apr. 1960	May 1960	June 1960
Total Exports or Imports	318,072	349,906	310,753	311,393	337,283	363,900	435,194	355,005	384,953	372,140
Korea	6,775	11,004	5,408	6,169	9,801	400	438	845	1,475	1,695
China	384	352	204	257	199	1,836	2,449	2,219	1,705	1,611
Rukyu Islands	5,794	6,189	6,464	7,496	7,892	2,230	3,476	2,445	2,883	1,746
Hong Kong	12,952	14,168	13,601	13,995	13,130	2,099	3,152	1,704	1,849	1,383
Formosa	6,807	8,117	10,004	9,868	10,797	5,692	7,521	6,161	8,185	7,162
South Viet Nam	3,089	4,800	2,977	4,409	4,785	444	384	346	106	350
Thailand	9,383	10,442	8,707	8,798	10,706	6,582	6,580	6,156	7,245	4,719
Malaya Union	2,489	2,253	1,979	2,107	2,144	15,943	15,237	15,383	19,047	16,820
Singapore	7,261	5,866	6,509	7,187	6,174	602	1,110	1,109	666	826
Philippines	7,574	9,696	8,447	7,898	5,959	14,589	15,916	15,639	14,294	14,069
British Borneo	124	152	232	250	283	4,914	6,851	5,168	6,796	7,487
Indonesia	16,802	5,971	7,024	5,143	4,853	5,930	6,403	5,104	6,291	4,966
Burma	4,271	3,879	4,184	5,443	6,258	651	1,139	3,817	1,992	1,378
India	4,934	7,802	8,077	6,782	11,755	8,769	9,667	7,675	9,927	8,216
Pakistan	5,950	6,057	5,760	5,358	4,084	3,278	2,866	2,336	1,952	2,213
Ceylon	2,308	2,076	2,510	2,323	2,721	1,283	1,414	1,534	716	709
Iran	1,884	2,456	3,771	3,124	3,129	1,294	3,726	1,806	2,177	613
Iraq	900	1,093	1,783	2,408	2,466	4,647	9,157	5,537	4,445	7,474
Saudi Arabia	1,421	1,355	1,923	1,322	867	7,268	10,401	8,412	8,229	8,020
Kwait	1,645	1,801	1,511	1,793	2,220	17,001	20,471	13,888	15,755	18,036
Sweden	1,765	3,144	2,052	2,365	2,261	768	1,051	1,017	784	1,128
Denmark	748	686	625	634	759	658	779	647	197	289
United Kingdom	7,377	19,025	6,535	4,410	10,996	8,307	8,430	6,535	6,097	6,781
Netherlands	1,898	5,716	2,896	2,161	2,469	2,880	3,687	3,008	2,027	1,816
Belgium	1,540	3,946	2,073	1,553	1,811	1,319	1,370	857	697	1,003
France	1,163	1,444	1,492	1,366	1,186	2,419	3,767	1,992	2,780	2,238
West Germany	3,888	8,008	4,379	4,311	4,319	9,634	11,027	12,412	11,642	9,609
Switzerland	2,036	2,711	2,872	2,658	3,757	2,630	2,593	2,280	2,349	2,764
Italy	1,755	2,911	1,944	2,410	2,788	660	1,247	1,097	1,018	1,410
U.S.S.R. (in Asia zone)	1,558	3,892	1,601	4,073	4,578	4,107	5,591	6,364	6,264	8,526
Canada	9,473	10,208	11,574	10,942	10,599	18,222	22,320	12,726	15,908	12,799
U.S.A.	91,858	98,252	93,451	95,723	91,983	132,489	155,685	120,327	138,664	126,732
Mexico	1,030	1,304	1,519	2,080	1,357	7,725	6,675	4,348	2,500	3,036
Panama	9,556	947	791	699	1,345	1,012	314	195	301	204
Cuba	407	207	170	300	416	5	2,950	1,492	252	364
Venezuela	3,286	3,285	9,356	2,199	9,831	317	108	121	47	47
Peru	1,141	857	729	1,047	1,124	2,397	3,529	3,397	3,114	2,366
Chile	866	1,030	1,149	1,685	1,359	232	1,945	1,167	869	240
Brazil	1,298	1,336	1,334	10,725	1,624	1,720	1,218	2,056	1,543	2,956
Argentina	2,569	1,769	2,207	2,766	1,492	3,093	2,252	3,092	5,586	5,508
Egypt	756	903	2,196	1,736	1,959	1,963	2,643	2,547	1,463	1,731
British West Africa	4,489	5,528	5,273	5,868	6,229	445	318	656	904	1,527
Liberia	15,510	10,483	159	223	8,772	580	17	2	227	185
Ghana	1,969	1,853	2,014	2,260	2,486	454	532	221	59	356
British South Africa	3,889	3,950	3,490	3,565	3,574	3,166	2,178	2,097	2,111	2,094
Union of South Africa	4,263	4,730	4,809	4,768	4,945	5,655	5,993	5,996	5,500	7,981
Australia	7,243	7,987	8,924	11,603	12,242	22,603	31,911	25,468	27,156	30,736
New Zealand	711	1,762	1,102	1,652	2,036	2,392	2,771	3,017	3,172	2,816

Note: 0 denotes open account area; \$, dollar area; £, sterling area. £A stands for Specified Area A and B.

*Southeast Asia Total includes Hong Kong, South Vietnam, Cambodia, Laos, Thailand, Malaya, Singapore, the Philippines, Indonesia, Burma, India, Pakistan, and Ceylon. ▲ Revised at source.

38. Exports by Major Articles

(In \$1,000)

(Ministry of Finance)

Articles	Unit	1960								1959	
		April		May		June		Jan.—June		Jan.—June	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Exports	—	—	310,753	—	311,393	—	337,283	—	1,844,099	—	1,540,333
Food	—	—	17,555	—	16,088	—	23,312	—	112,210	—	102,698
Fish & Shellfish	m.t.	20,944	9,363	21,552	9,426	29,221	17,578	147,071	70,403	134,006	67,880
Fresh Fish	"	10,426	3,158	10,834	3,176	15,954	4,437	80,150	23,420	70,586	19,850
Tuna	"	8,724	2,417	9,683	2,633	14,507	3,625	68,505	18,521	60,459	16,108
Canned, Bottled Fish	"	8,851	5,235	9,436	5,406	12,132	12,367	56,607	41,592	53,948	41,166
Salmon	"	739	776	556	551	3,721	7,172	11,043	15,851	18,956	15,732
Tuna	"	2,149	1,790	1,641	1,448	2,217	1,962	10,192	8,462	8,036	7,187
Fruit & Vegetables	"	15,840	5,305	8,460	3,369	10,889	2,798	79,252	23,470	69,133	18,615
Canned, Bottled Fruits	"	11,177	4,149	5,304	2,056	3,507	1,338	43,614	16,246	36,444	13,027
Tea	"	995	539	829	470	523	366	4,536	2,531	3,318	1,965
Beverage & Tobacco	—	—	622	—	209	—	292	—	2,238	—	2,969
Raw Materials, except Fuels	—	—	8,657	—	10,001	—	11,625	—	55,611	—	41,936
Lumber	cu.m.	36,502	2,106	35,271	2,441	—	3,173	—	12,709	—	12,814
Textile Fibre & Waste	m.t.	4,765	5,337	5,777	6,498	5,778	6,766	30,153	34,635	21,301	21,778
Raw Silk	"	340	3,119	418	3,833	452	4,178	2,202	20,413	1,621	13,103
Mineral Fuels	—	—	1,359	—	1,587	—	1,314	—	8,503	—	4,846
Animal & Vegetable Oils	—	—	2,280	—	966	—	1,153	—	20,997	—	21,262
Animal Oil	m.t.	6,509	1,641	359	392	403	512	84,211	17,926	80,005	17,641
Whale Oil	"	6,077	1,167	1	0	15	3	82,131	15,406	77,886	14,682
Vegetable Oil	"	2,461	628	2,251	561	2,527	637	11,561	3,031	14,024	3,553
Chemicals, Drugs	—	—	16,141	—	14,112	—	13,142	—	87,143	—	86,215
Pharmaceuticals	—	—	1,384	—	1,390	—	1,283	—	7,610	—	6,381
Chemical Fertilizers	m.t.	144,824	7,003	87,522	4,310	117,470	5,157	800,968	38,098	955,632	48,052
Manufactured Products by Materials	—	—	135,218	—	146,457	—	151,712	—	822,083	—	678,538
Rubber Goods	—	—	2,512	—	2,504	—	1,975	—	13,869	—	13,087
Wood & Cork Products	—	—	7,981	—	7,503	—	7,547	—	46,501	—	47,580
Plywood	1,000 s.m.	8,484	6,242	7,990	5,705	8,025	5,619	48,036	36,318	53,439	7,160
Paper & Related Products	m.t.	15,202	4,284	13,569	3,483	12,551	3,316	77,467	21,733	53,850	14,951
Textile Yarns & Fabrics	—	—	64,150	—	71,231	—	73,597	—	404,507	—	341,929
Woollen Yarn	m.t.	285	1,179	333	1,411	465	1,092	1,842	6,657	1,818	6,824
Cotton Yarn	"	2,360	3,071	3,004	4,119	3,295	4,671	15,547	20,955	5,544	8,610
Rayon Yarn	"	1,227	1,229	2,155	2,175	1,407	1,446	8,927	9,094	5,453	5,398
Spun Rayon Yarn	"	548	530	582	537	1,292	1,104	4,984	4,518	6,903	6,059
Cotton Fabrics	1,000 s.m.	77,893	23,216	83,517	25,714	88,984	27,234	502,934	147,959	490,038	130,884
Silk Fabrics	"	7,995	4,776	7,812	4,970	7,027	4,563	45,521	27,504	35,429	19,993
Woollen Fabrics	"	1,789	2,996	1,667	2,728	1,778	2,823	14,310	24,007	13,608	22,802
Rayon Fabrics	"	19,416	4,681	17,793	4,372	18,205	4,591	117,011	27,870	125,572	25,576
Spun Rayon Fabrics	"	37,701	8,206	45,485	9,519	48,417	10,298	242,597	52,193	279,294	50,302
Non-Metallic Mineral Products	—	—	11,681	—	12,669	—	12,186	—	66,518	—	58,989
Cement	m.t.	133,823	2,019	155,804	2,405	155,610	2,297	782,695	11,820	752,397	11,742
Glass & Glass Products	—	—	1,989	—	2,075	—	2,157	—	11,270	—	10,398
Chinaware	—	—	5,677	—	5,849	—	5,616	—	312,72	—	26,297
Pearls	kg.	4,278	3,016	4,331	2,860	4,378	2,739	25,855	16,464	21,509	12,387
Base Metals	—	—	27,835	—	31,968	—	36,223	—	172,835	—	129,016
Iron & Steel	m.t.	150,457	25,841	174,041	29,464	202,836	34,428	948,582	161,819	784,843	116,150
Steel Plates (ungalvanized)	"	37,199	6,099	40,438	6,474	46,918	8,126	235,225	38,208	195,979	25,332
Galvanized Steel Plates	"	25,294	5,260	18,431	3,840	25,553	5,217	140,596	28,706	125,917	23,116
Non-ferrous Metals	"	2,778	1,994	5,863	2,504	1,829	1,795	14,836	11,016	17,395	12,866
Metal Products	—	—	11,905	—	12,066	—	11,866	—	68,696	—	52,453
Machinery & Transportation Equipment	—	—	72,243	—	61,272	—	73,459	—	415,205	—	358,121
Machinery (excl. electric machines)	—	—	22,456	—	17,630	—	14,744	—	103,883	—	69,758
Textile Machines & Parts	—	—	5,269	—	4,181	—	2,661	—	23,877	—	11,980
Sewing Machines	—	174,994	4,507	148,987	3,882	122,395	3,440	900,896	23,588	938,332	24,853
Electric Machine	unit	—	23,024	—	22,508	—	21,016	—	116,609	—	74,171
Gen. Motors, Trans. & Alternators	—	—	2,346	—	2,228	—	1,378	—	11,304	—	8,883
Electric Bulbs	1,000 pcs.	35,916	1,044	34,043	1,052	—	1,057	—	5,523	—	4,593
Transportation Equipment	—	—	26,763	—	21,134	—	37,653	—	194,713	—	214,192
Railway Rolling Stock & Parts	—	—	1,241	—	1,757	—	2,628	—	7,277	—	7,973
Buses, Trucks	unit	1,522	3,408	1,994	4,876	3,054	7,865	9,802	23,467	5,063	13,062
Ships	G.T.	54,171	16,953	23,338	9,370	76,545	22,123	437,138	137,798	585,315	178,784
Miscellaneous	—	—	55,741	—	60,047	—	60,627	—	314,617	—	235,722
Clothing	—	—	18,441	—	20,621	—	23,033	—	109,325	—	86,361
Camera	unit	94,298	1,919	100,687	2,448	86,980	2,242	491,377	11,638	355,550	7,772
Toys	—	—	8,209	—	9,453	—	38,565	—	734	—	3,594
Live Animals not for Food	—	—	85	—	52	—	5	—	341	—	350
Re-export Goods	—	—	852	—	602	—	642	—	5,151	—	4,676

Note: Figures of group total include others than represented.

39. Imports by Major Articles

(\$ 1,000)

(Ministry of Finance)

Articles	Units	1960								1959	
		April		May		June		Jan.—June		Jan.—June	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Imports	—	—	355,005	—	384,953	—	372,140	—	2,241,847	—	1,736,508
Food	—	—	39,530	—	47,789	—	38,536	—	241,741	—	255,757
Cereals & Cereal Preparations	m.t.	322,289	24,175	429,694	29,759	282,507	19,524	1,960,276	134,501	2,205,453	156,694
Wheat	"	163,743	10,897	270,817	17,993	166,779	11,063	1,205,496	80,687	1,152,276	77,530
Rice	"	41,986	5,394	49,895	5,008	27,821	2,990	124,563	14,116	207,426	27,417
Barley	"	—	—	—	—	—	—	—	—	313,854	18,644
Maize (Corn)	"	103,022	6,171	102,587	6,151	81,473	4,847	581,756	34,566	476,889	27,983
Fruit & Vegetables	"	16,583	2,525	20,265	3,163	19,997	2,865	96,011	14,506	91,129	15,478
Sugar & Sugar Preparations	"	99,001	7,628	117,044	8,983	139,449	9,799	783,440	60,012	741,137	61,056
Coffee	"	568	509	674	571	798	648	4,548	3,994	4,046	3,922
Beverage & Tobacco	—	—	269	—	2,882	—	314	—	11,769	—	12,623
Tobacco	—	—	74	—	2,600	—	—	—	10,719	—	11,446
Raw Materials, except Fuels	—	—	179,071	—	190,021	—	187,528	—	1,139,128	—	798,838
Hides & Skins	m.t.	—	3,161	—	3,177	—	3,400	—	17,708	—	19,379
Oil Seeds	"	112,623	14,028	98,844	11,297	112,142	12,328	887,231	100,781	777,256	82,337
Soy-beans	"	60,814	6,038	61,885	6,051	70,322	6,365	581,278	55,482	529,525	50,068
Rubber	"	21,678	16,263	20,341	15,267	17,744	13,182	130,851	99,441	99,143	59,720
Crude Rubber	"	13,543	11,370	11,444	9,628	10,791	9,117	82,314	69,877	68,201	42,466
Lumber & Cork	—	—	15,775	—	15,384	—	16,322	—	87,726	—	53,565
Lumber	c.m.	543,337	15,600	527,883	15,053	574,166	16,097	3,039,301	86,432	2,335,063	52,390
Pulp & Waste Papers	—	—	2,931	—	3,151	—	2,578	—	15,842	—	9,187
Textile Fibres & Waste	m.t.	104,285	67,963	104,804	72,220	99,066	71,925	638,475	430,977	501,829	321,555
Wool	"	15,324	22,107	16,746	23,773	18,310	26,191	99,548	143,881	87,737	101,905
Cotton	"	73,773	40,012	74,293	42,491	68,358	40,552	451,039	249,528	342,214	182,352
Cotton, Ginned	"	66,171	38,667	68,806	41,429	64,287	39,578	417,199	242,932	311,220	174,853
Hard & Bast Fibres	"	13,477	3,598	12,046	3,699	10,727	2,792	77,366	21,619	55,938	13,620
Fertilizers & Non-metallic Minerals	—	—	7,308	—	7,827	—	10,263	—	50,993	—	36,039
Crude Fertilizers	m.t.	126,418	2,005	138,262	2,253	193,062	3,083	944,481	15,701	856,488	13,517
Salt	"	205,988	1,763	153,731	1,373	312,952	2,831	1,197,021	10,502	872,914	7,172
Metal Ores & Metal Scrap	"	1,653,222	50,314	2,120,826	60,104	1,974,722	55,586	10,655,298	325,186	7,493,291	209,341
Iron Ore	"	1,162,760	16,868	1,422,037	19,989	1,381,052	19,553	7,095,058	101,837	4,721,863	65,308
Scrap Iron	"	284,826	15,790	396,533	21,398	321,633	16,510	2,164,712	118,904	1,684,521	81,781
Non-ferrous Metal Ores	"	192,654	10,688	287,922	11,255	261,504	14,201	1,326,682	68,354	1,050,175	44,631
Copper Ore	"	39,014	6,195	32,489	4,770	31,750	5,501	213,801	34,412	165,918	21,906
Nickel Ore	"	38,279	725	100,790	1,801	82,443	1,526	391,410	6,792	245,221	4,672
Aluminium Ore	"	64,798	709	71,383	745	48,907	723	352,408	4,179	307,868	3,051
Manganese Ore	"	10,749	356	28,924	900	16,821	459	117,550	3,653	146,277	4,682
Non-ferrous Metal Scrap	"	12,982	6,964	14,334	7,453	10,532	5,317	68,845	36,058	36,732	17,552
Copper Scrap	"	1,196	824	884	596	665	440	5,659	3,974	560	385
Brass Scrap	"	9,465	5,107	10,403	5,427	7,842	4,014	49,449	26,154	30,426	15,242
Mineral Fuels	—	—	55,481	—	56,547	—	63,050	—	352,009	—	263,086
Coal	m.t.	690,922	12,152	633,922	10,982	715,861	11,939	3,632,932	63,189	2,236,804	40,806
Anthracite	"	38,323	612	56,327	1,007	75,540	1,283	385,555	6,709	268,791	4,606
Bituminous (for coking)	"	149,480	2,686	106,111	1,760	110,896	1,798	517,783	8,738	328,422	5,716
Petroleum	k.l.	2,520,192	41,783	2,800,203	44,438	3,139,513	50,221	17,250,086	281,957	11,698,938	217,751
Crude & Unrefined	"	2,036,430	31,564	2,366,717	35,654	2,660,436	38,925	14,767,947	227,942	10,033,670	182,762
Heavy Oil	"	452,814	8,265	421,463	7,544	432,426	8,140	2,314,177	41,977	1,569,607	28,736
Animal & Vegetable Oils	—	—	2,837	—	3,576	—	3,683	—	18,858	—	18,313
Animal Fats & Oils	m.t.	12,829	2,081	17,553	2,901	19,047	3,187	89,506	14,793	72,126	15,031
Beef Tallow	"	12,319	1,960	14,950	2,358	16,979	2,746	83,979	13,542	69,138	14,186
Vegetable Oils	"	1,924	582	1,750	571	1,195	364	10,814	3,344	11,134	2,794
Chemicals, Drugs	—	—	22,877	—	21,244	—	22,191	—	133,135	—	103,326
Inorganic Chemicals	—	—	1,491	—	1,525	—	1,964	—	9,292	—	5,423
Organic Chemicals	—	—	3,818	—	4,032	—	4,223	—	23,962	—	20,528
Potassic Fertilizers	m.t.	—	3,818	—	2,998	—	2,522	—	18,571	—	15,371
Synthetic Plastic Materials	—	3,224	2,848	3,365	2,831	3,095	2,738	20,425	18,016	21,273	17,709
Manufactured Products by Materials	—	—	22,242	—	27,422	—	22,721	—	134,735	—	56,081
Textile Yarns & Fabrics	—	—	1,048	—	1,382	—	818	—	8,260	—	5,958
Base Metals	m.t.	160,735	17,674	164,780	22,889	148,078	17,657	751,194	103,570	165,625	33,934
Iron & Steel	"	147,230	9,257	146,306	10,332	138,931	9,756	675,749	47,599	146,994	14,281
Non-ferrous Metals	"	13,505	8,417	18,474	12,557	9,147	7,901	75,445	55,971	18,631	19,653
Copper	"	5,841	4,470	7,337	5,468	5,577	4,165	37,387	27,981	6,888	5,014
Tin	"	578	1,268	1,125	2,441	930	2,023	5,403	11,787	4,785	10,439
Machinery & Transportation Equipment	—	—	27,489	—	30,021	—	27,841	—	179,631	—	202,214
Machinery (excl. electric machines)	—	—	21,949	—	22,452	—	19,640	—	134,802	—	156,435
Electric Machines	—	—	2,160	—	3,249	—	2,638	—	17,344	—	22,026
Transportation Equipments	—	—	3,380	—	4,320	—	5,563	—	27,485	—	23,753
Passenger Cars, complete	unit	246	720	462	1,288	600	1,557	2,512	6,963	3,631	5,105
Aircraft & Parts	—	—	1,060	—	1,658	—	1,082	—	7,510	—	4,470
Miscellaneous	—	—	4,838	—	1,658	—	5,593	—	27,493	—	23,309
Re-import Goods	—	—	437	—	366	—	499	—	2,552	—	2,668

Note Figures of group total include other items not represented above.

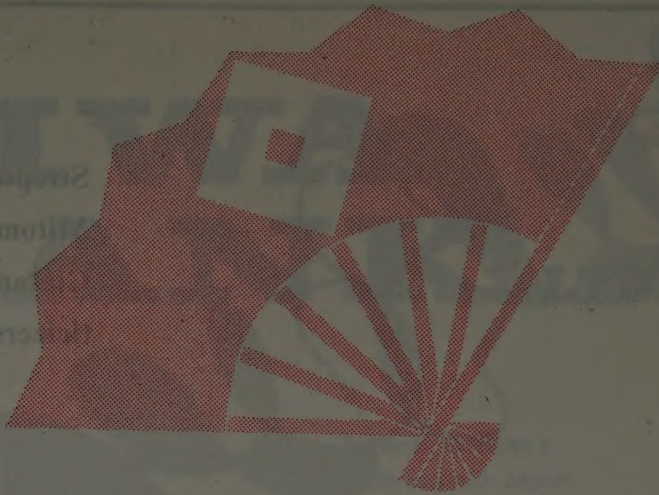
40. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1960			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1960		
			Aug.		Sept. 15				Aug.		Sept. 15
			High	Low					High	Low	
Mining						Coal & Petroleum					
Mitsubishi Metal Mining	4,095	12	80	73	85	Nippon Oil	10,000	15	163	152	146
Nihon Mining	5,670	12	118	101	114	Showa Oil	3,000	12	148	128	135
Sumitomo Metal Mining	3,218	12	80	75	80	Maruzen Oil	11,025	15	128	118	107
Mitsui Metal Mining	4,800	15	80	72	94	Mitsubishi Oil	3,036	10	230	216	210
Mitsui Mining	3,000	—	50	46	48	Toa Nenryo Kogyo	5,990	20	355	332	320
Mitsubishi Mining	5,400	—	53	38	47	Mitsubishi Chemical Ind.	10,000	12	195	150	185
Sumitomo Coal Mining	2,521	5	50	46	50	Rubber, Glass & Ceramics					
Furukawa Mining	3,472	5	58	49	55	Yokohama Rubber	2,000	10	168	141	170
Ube Industries	9,456	10	91	78	105	Asahi Glass	8,000	18	245	223	236
Teikoku Oil	4,000	12	130	112	127	Nippon Sheet Glass	2,500	20	393	333	384
Dowa Mining	3,197	10	135	110	135	Nihon Cement	5,000	15	182	167	172
Foodstuffs						Iwaki Cement	2,000	36	436	391	406
Nippon Suisan	6,119	6	108	88	115	Onoda Cement	12,000	13	110	101	105
Nippon Flour Mills	1,447	15	135	120	150	Nippon Toki	800	23	550	515	512
Nissin Flour Milling	1,500	18	151	135	180	Nippon Gaishi	1,000	20	568	537	560
Dainippon Sugar Mfg.	792	25	405	401	401	Metal Industries					
Taito	600	30	420	385	390	Yawata Iron & Steel	38,000	12	103	91	105
Japan Beet Sugar Mfg.	1,350	16	222	204	211	Fuji Iron & Steel	33,000	12	94	89	91
Morinaga Confectionery	1,200	18	195	170	224	Kawasaki Steel	17,500	6	85	61	91
Meiji Confectionery	1,260	18	204	188	215	Nippon Kokan	23,175	6	71	58	78
Nippon Breweries	2,800	18	427	390	421	Sumitomo Metal Ind.	17,812	6	68	60	73
Asahi Breweries	2,800	18	435	395	439	Kobe Steel	20,000	12	82	75	84
Kirin Breweries	6,642	20	648	546	422	Tokyo Rope	800	15	240	185	202
Takara Shuzo	5,890	15	214	184	215	Japan Light Metal	3,993	10	533	506	525
Honen Oil Mills	1,500	15	240	215	221	Toyo Seikan	(A) 2,400	15	1,220	940	1,200
Nissin Oil Mills	1,000	17	194	153	184	Machinery					
Noda Soy Sauce	1,200	21	347	302	335	Ebara Mfg.	2,400	20	695	□ 355	380
Ajinomoto	3,444	25	495	473	521	Nippon Seiko	1,600	15	327	292	314
Nippon Cold Storage	3,000	14	158	125	154	Toyo Bearing	1,300	20	358	315	360
Textiles						Koyo Seiko	1,400	15	336	312	325
Toyo Spinning	8,062	16	125	104	122	Electric Machinery					
Kanegafuchi Spinning	4,005	15	90	81	89	Hitachi Ltd.	30,000	15	302	284	284
Dai Nippon Spinning	6,562	16	99	87	98	Tokyo Shibaura Electric	25,000	15	281	255	260
Fuji Spinning	3,600	14	75	70	76	Mitsubishi Electric	19,200	15	202	182	194
Nissin Cotton Spinning	2,028	22	166	159	174	Fuji Electric Mfg.	8,400	15	196	176	183
Kurashiki Spinning	3,200	16	94	89	93	Furukawa Electric	6,000	12	167	151	160
Nitto Spinning	1,700	12	128	113	132	Nippon Electric	8,000	15	524	481	485
Ohmi Kensi Spinning	3,000	12	54	52	59	Transportation Equipment					
Japan Wool Textile	2,816	20	116	102	117	Mitsubishi Shipbuilding & Engineering	11,200	18	137	115	150
Daito Woollen Spinning	1,500	15	66	62	73	Mitsubishi Nippon Heavy Ind.	9,000	12	124	115	123
Teikoku Textile	1,220	8	53	50	56	Mitsui Shipbuilding & Engineering	4,500	15	105	85	107
Teikoku Rayon	8,400	12	161	142	162	Mitsubishi Heavy Ind. Reorg.	12,348	12	262	253	270
Toyo Rayon	2,100	10	82	73	86	Ishikawajima Heavy Ind.	7,800	12	102	98	116
Toho Rayon	2,480	12	138	115	140	Nissan Motor	11,000	15	280	258	285
Mitsubishi Rayon	3,000	15	189	170	175	Isuzu Motor	7,500	16	192	160	183
Kurashiki Rayon	3,000	15	189	170	175	Toyota Motor	16,000	20	443	406	429
Asahi Chemical	(B) 8,000	18	250	232	245	Precision Machinery					
Paper & Pulp						Nippon Kogaku	582	—	181	164	172
Kokoku Pulp	3,120	—	31	26	35	Canon Camera	1,600	10	194	174	236
Sanyo Pulp	3,176	10	60	50	61	Other Manufacturing Industries					
Nippon Pulp Ind.	1,600	12	82	66	80	Toppan Printing	750	18	453	405	460
Kokusaku Pulp	2,144	5	58	46	58	Nippon Musical Instrument	1,000	20	750	695	766
Tohoku Pulp	2,588	5	56	47	62	Trading Companies					
Oji Paper	5,000	18	143	132	140	Mitsui Bussan	6,533	14	474	436	457
Honshu Paper	2,000	8	122	105	117	Mitsubishi Shoji	10,000	14	226	199	196
Jufo Paper	2,760	20	228	201	220	Mitsukoshi	3,645	20	252	232	233
Mitsubishi Paper Mills	2,300	15	112	92	138	Real Estate					
Chemical Industries						Mitsui Real Estate	1,300	15	578	520	558
Toyo Koatsu Ind.	7,787	4	125	112	117	Mitsubishi Estate	5,160	15	343	329	332
Nitto Chem. Ind.	4,152	5	142	137	139	Heiwa Real Estate	2,000	12	187	170	181
Showa Denko	9,000	12	189	175	207	Transportation & Shipping					
Sumitomo Chemical	8,000	12	300	282	296	Tobu Railways	2,400	12	128	121	124
Shin Nippon Chisso Hiryo	4,500	12	179	155	174	Tokyo El. Express Railway	4,500	12	100	97	102
Nissan Chemical Ind.	2,163	—	92	81	93	Nippon Express	(B) 21,600	12	130	124	130
Nippon Soda	1,696	8	110	93	123	Nippon Yusen	11,400	—	67	55	65
Toyo Soda	1,530	15	144	127	156	Osaka Shosen	7,600	—	35	28	34
Toa Gosei Chemical Ind.	2,917	12	140	127	127	Nitto Steamship	6,000	—	58	46	58
Electro-Chemical Ind.	4,000	12	154	131	147	Mitsui Steamship	5,500	—	51	40	48
Shin-etsu Chemical Ind.	2,200	12	221	139	224	Iino Kaiun	13,200	—	32	27	31
Mitsui Chemical Ind.	3,200	12	173	155	176	Mitsubishi Shipping	4,800	—	46	38	45
Kyowa Fermentation	3,862	10	188	142	183	Warehouse & Entertainment					
Dainippon Celluloid	2,251	12	190	150	183	Mitsubishi Warehouse	1,200	10	107	96	106
Nippon Kayaku	800	15	142	104	133	Shochiku Motion Picture	2,772	—	55	51	54
Sankyo	1,320	18	195	161	202	Nikkatsu	3,721	12	65	52	89
Fuji Photo Film	2,500	18	204	195	197						
Konishiroku Photo Ind.	1,800	—	142	126	132						
Tokyo Electric Power	(A) 60,000	10	510	500	510						
Tokyo Gas	20,280	12	70	64	71						

Notes: (A) 500 yen shares. (B) 100 yen shares. Rest are all 50 yen shares. □ ex-new

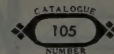
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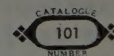
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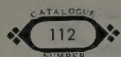
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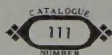


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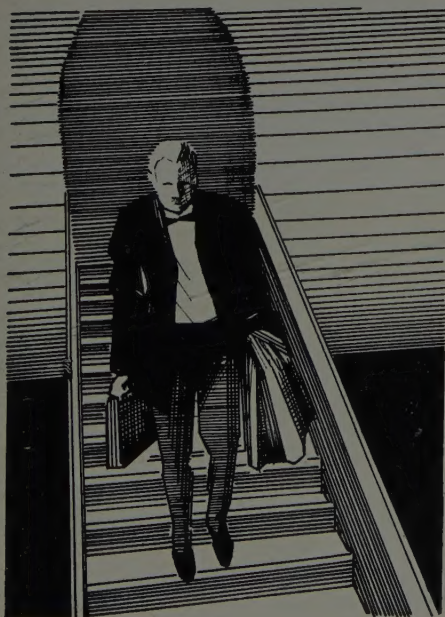
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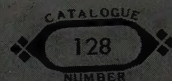
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